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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 33,352 21/90 ** PARIS, MONDAY, MAY 21, 1990 ESTABLISHED 1887

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Iliescu Wins in Romania

Salvation Front Is Projected to Get 66% of Vote

Compiled by Our Staff From Dispatches

BUCHAREST — The National Salvation Front won a solid victory Sunday in Romania's first free elections in 53 years, and its leader, the former Communist Ion Iliescu, was elected president, according to computer projections.

The Front, which has led the interim government since Nicolae Ceausescu was deposed and executed in December, won the parliamentary election with 66 percent of the vote, the computers predicted.

"According to these provisional results, yes, I am confident the National Salvation Front will form the next government," said Prime Minister Petre Roman, also a member of the Front.

Mr. Iliescu was expected to win 83 percent of the vote, according to an exit poll broadcast late Sunday by Romanian television. The results of the poll were given as voters continued to line up at several polling stations in Bucharest.

The poll, by German and Romanian companies, said the Liberal Party candidate for president, Radu Campeanu, would receive 11 percent and the National Peasants Party candidate, Ion Ratiu, would get 6 percent. Mr. Ratiu said he would contest the vote.

The poll was carried out among 16,000 voters in 252 polling stations across the country.

The prediction of victory came amid criticism by some foreign observers that the balloting had not been fair.

Opposition parties said there had been flagrant breaches of procedure by supporters of the Front in the elections, held five months after the overthrow of Mr. Ceausescu in a popular uprising.

Officials extended voting to meet a huge turnout in the presidential and parliamentary elections, Romania's first free multiparty elections since 1937. Polling had been scheduled to end at 11 P.M., after 17 hours of voting, but with thousands still lining up in darkness to vote, the Central Electoral Bureau said stations would stay open at least until midnight.

Opposition parties said there had been violations of electoral

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Dieter Endlicher/The Associated Press

Romanian villagers lining up Sunday to vote. The turnout was so heavy that many polling booths stayed open past the scheduled 11 P.M. closing time.

A Modern Soviet Affliction: Equality in Poverty

"There in some smoky corner which, through poverty, passes for a dwelling place, a workman wakes from his sleep; all night he has been dreaming of a pair of boots."
— Fyodor Dostoyevsky, "Poor Folk," 1845

By David Remnick
Washington Post Service

MOSCOW — How little the dreams of Russia have changed. A decent pair of boots here is still the stuff of fantasies and stratagems, the end of a dramatic quest through the poverty of everyday life. In the Soviet Union, *few* live *otherwise.*

Poverty is always clearest among the desperate. In the underpass near Pushkin Square, old people with pensions of 2 or 3 rubles a day slump against the wall and spread a rag for spare change. Others collect bottles in alleyways for 20 kopecks apiece or sell used shoes, used sheets, used tools at the Tishinsky Market. At the Kazan Station, vagrants dodge the police, buy some cabbage or a bottle and try to sleep the night through on a bench.

But Soviet poverty more broadly defined reaches well beyond the broke and the lost. It is a state of being for tens of millions of people and is reflected less in salary levels than in daily, unending shortages of meat and apartments, medicines and vegetables, soap and shoes.

On Nikolai Ostrovsky Lane, the airy prerevolutionary apartments of merchants and artists were long ago divided into communal flats. Five or six families, most with regular salaries or pensions, share a toilet and a kitchen and take turns complaining to blank-eyed officials about the rusted pipes, the cascade of plaster. Evenings after work they stand endlessly in lines, hunting for milk, toilet paper, whatever can be found.

The Vast Landscape Of Want
Poverty in the U.S.S.R.
First of a series

Beyond Moscow, miners in Vorkuta in the polar north do not have enough soap to wash the coal dust from their faces; mothers on the Far Eastern island of Sakhalin give birth in rented rooms because there is no maternity hospital there; Byelorussian villagers scavenge scrap metal, rags or even pig fat to pay for shoes; and the staff at a huge hospital in the Siberian city of Krasnoyarsk reuses needles.

"We sharpen them up, straighten them out and scrape off the rust," a doctor acknowledged.

Poverty in the Soviet Union is not bloated bellies and famine, but rather a common condition of need that seems only to widen and grow worse with every month. It haunts the heart as well as the stomach.

"I watch everything around us going downhill every day," said Vagid Bairamov, a truck driver who shares a five-room apartment with 15 people on Nikolai Ostrovsky Lane, "and I think that life will be even worse for my children than it is for me. For a parent, there is nothing worse."

"Do you know what that is to a person?" he asked. "To know that working harder is useless because it makes no difference? My wife and I and our three kids live in one room and we've been waiting 10 years for our own apartment. Ten years! I don't want to call us poor, but you go ahead, I'm not arguing."

Poverty: At first the government of Mikhail S. Gorbachev, *like those before it, could* hardly bring itself to pronounce the word. But from the start, poverty has been the condition, the bottom line, of the *perestroika* renewal program.

The open admission that the Soviet Union was a military superpower with a ruined economy influenced virtually every critical

Gorbachev moves to alleviate one of the bitterest complaints of Soviet consumers in a decree on private homebuilding. Page 4.

See SOVIETS, Page 4

An Israeli Kills 7 Palestinians, 6 More Die as Intifada Flares

By Jackson Diehl
Washington Post Service

RISHON LE-ZION, Israel — An Israeli man dressed in army trousers and brandishing a rifle lined up dozens of Palestinians waiting for work in a sandy lot here on Sunday morning and opened fire, killing seven, wounding 11 and setting in motion one of the worst days of bloodshed since the Arab uprising began in December 1987.

After the mass slaying by a man authorities described as "deranged," enraged Palestinians clashed with the army in towns and refugee districts around the occupied West Bank and Gaza Strip, officials said. The army said six more Arabs died in the violence, and hospitals said 650 were wounded in the Gaza Strip alone. Twelve soldiers were reported wounded by stones in the Gaza Strip, and four were *hospitalized.*

An army spokesman said protests continued in Gaza, home of the slain workers, late Sunday despite a blanket curfew imposed on Sunday morning. Curfews were also imposed after demonstrations in the West Bank towns of Hebron, Nablus and Tulkarm.

"This is the worst we've seen in many, many months," the spokesman said. "It's certainly a black day."

The mass slaying was one of the most serious committed by an Israeli civilian against Arabs in the history of the country.

"He murdered us in cold blood, very cold blood," said Jamad Abu Dukak, who was shot in the buttocks and saw his brother-in-law and two friends die.

The police arrested a 21-year-old man in connection with the shootings half an hour after they occurred. Officials said the man, who was not immediately identified, had served in the army 18 months but was released in December 1988 on the ground that he was "unsuitable" for service. The man had spent four months in jail and four months as a fugitive while in the military for "discipline problems," an official said.

A senior police official, Haim Albaldes, told Israeli radio that the suspect was arrested at the home of a *former girlfriend and* that he said he had acted because he was distressed by the recent breakup of the relationship. Mr. Albades said the suspect also asserted that he had wanted to take revenge for an incident eight years ago in which he was sexually abused by an Arab.

Egypt says Israel has given an assurance that it will not strike first against an Arab state. Page 5.

Prime Minister Yitzhak Shamir and President Chaim Herzog swiftly and strongly condemned the killing, as did senior Israeli military officials. General Yitzhak Mordechai, the commander of Israeli forces in the West Bank, went on local Arab radio to appeal for calm and called the shooting "a tragic act by a deranged person."

Mr. Shamir said it was "a shocking act of lunacy, the likes of which must not be allowed to transpire in our midst."

Nevertheless, several Palestinian leaders and leftist Israeli politicians blamed the government for pursuing policies that encouraged acts of extremism.

"Even if this man is mentally sick," said Faisal Husseini, an activist in East Jerusalem, "the atmosphere created by such a government is irresponsible."

Elias Frej, the Arab mayor of Bethlehem, said, "I blame the leaders who are spreading hatred."

Casualties in the Palestinian uprising, or *intifada* as it is known in *Arabic, dropped off sharply* in the first four months of this year as clashes between the army and demonstrators dwindled. In recent weeks, however, tension in the territories has been rising after the breakdown of U.S.-backed efforts to set up Israeli-Palestinian negotiations and Mr. Shamir's moves toward establishing a "narrow" rightist government in place of the former "unity coalition."

Some Palestinians have been

See ISRAEL, Page 4

Kiosk

3 Rioters Dead In South Africa

JOHANNESBURG (UPI) — The police fired into rioting blacks on Sunday amid violence that left at least three South Africans dead and five wounded, police and hospital officials said.

The strife erupted in Thabong township after a decision at a community meeting to end a boycott of white businesses in the nearby gold-fields town of Welkom, 445 kilometers (275 miles) southwest of Johannesburg, where racial violence erupted last week.

First Space Photo Delights Scientists

GREENBELT, Maryland — Scientists are "pleased as punch" with the spectacular image captured by the first photograph transmitted on Sunday from the Hubble Space Telescope. (Page 2)

General News

Thousands battled with South Korean policemen at a rally over a 1980 uprising. Page 2.

Sports

Monica Seles upset Steffi Graf Sunday in the final of the German Open in Berlin. Page 13.

Crossword Page 4.

A Deal Made, Bush Is Hopeful on Summit

Reuters

WASHINGTON — President George Bush said Sunday that U.S.-Soviet arms-control breakthroughs announced in Moscow had set the stage for a good summit meeting with President Mikhail S. Gorbachev later this month.

"I'm satisfied from the progress made in Moscow that we'll have a good summit," Mr. Bush said in Houston before leaving for Portland, Oregon.

He said that the United States and the Soviet Union continued to differ on many issues, but that there had clearly been progress in arms control.

In Moscow on Saturday, U.S. and Soviet officials announced that they had taken major strides towards a treaty reducing long-range nuclear weapons and had concluded an agreement to end chemical-weapons production and cut chemical stocks.

Secretary of State James A. Baker 3d led the U.S. side in the talks.

Mikhail S. Gorbachev's post-summit tour is giving U.S. officials a headache. Page 2.

Mr. Bush, who spoke by telephone with Mr. Baker, said, "Obviously there are some things we still have to work out, but I'm somewhat encouraged by the report." He listed German unification, Afghanistan and Cuba as issues on which differences remained.

"Nobody thought it would be easy," Mr. Bush said, "so we're just plugging away on a wide array of agenda items."

Mr. Bush, whose meeting with Mr. Gorbachev will begin May 30 in Washington, was asked whether the arms-control progress had shifted the priority of the summit talks to political issues like Lithuania's independence drive and German unification.

"I don't think it *shifts,*" he said, "but I've always felt those items you're referring to — German unification and regional tensions — the differences will be on the agenda. And we're talking to the Soviets at a time that is far better — the relationship between the United States and the Soviet Union — than sometimes in the past, but less good than I wish it were."

Mr. Bush said he was confident that an agreement could still be reached this year on limiting conventional weapons in Europe.

The 23-nation conventional-arms negotiations in Vienna have been stalled for months, largely because the collapse of the Warsaw Pact and the speed of German unification have left Moscow uncertain about how fast it wants to remove its nonnuclear forces from Eastern Europe.

Though no progress on the issue

See TREATY, Page 4

For U.S., Some Compromises Became Palatable

By Joseph Fitchett
International Herald Tribune

PARIS — The arms-control breakthroughs in Moscow represent progress toward major East-West agreements, but the substance reflects carefully crafted, often loose, compromises that have become acceptable at a time when the Bush administration wants to maintain momentum in favor of Soviet policy and perhaps even help President Mikhail S. Gorbachev domestically in Moscow.

The talks apparently failed to remove Soviet objections that have delayed an agreement in Vienna on cutting conventional forces in Europe and that could also hold up German reunification.

But although the German question preoccupies European governments, West German and other allied officials said Sunday that the fresh impetus in superpower relations meant that tensions would ease in Europe, too.

NEWS ANALYSIS

Amid signs of Soviet backtracking on disarmament under military pressure, allied officials praised James A. Baker 3d, the U.S. secretary of state, for engineering arms-control compromises that should improve the political climate.

The compromises covered:

- Nuclear cruise missiles launched from ships, including submarines. For the first time, the United States agreed to put a ceiling on these weapons, denting previous objections by the United States to naval arms-control.
- Nuclear cruise missiles on aircraft. U.S. negotiators wanted the proposed treaty to exclude air-launched cruise missiles with ranges of up to 800 kilometers (about 500 miles), but accepted Soviet calls to include missiles with 600-kilometer ranges.
- A halt to U.S. plans to start producing new chemical weapons that would have been the small arsenal kept by the United States while stockpiles are phased out.

Other U.S. proposals apparently failed to budge the stalled Vienna negotiations. Mr. Baker reportedly proposed a new formula on combat aircraft and discussions on wider cuts in military manpower, including that of other Western allies.

These U.S. ideas were tailored to allay Soviet alarm at the prospect of seeing East Germany move into the Western camp at a time when Soviet forces are withdrawing from other Warsaw Pact nations.

But the missile compromises cleared the way for a Strategic Arms Reduction *Talks,* or *START,*

See ARMS, Page 4

Dennis Owen·Reuters

Students in Taipei holding a picture of Sun Yat-sen Sunday at a protest over the new prime minister.

A New Pragmatism in Taiwan

President, While Stressing Autonomy, Flirts With China

By Steve Glain
International Herald Tribune

HONG KONG — President Li Teng-hui of Taiwan has opened his first full term with a nimble juggling act that his predecessors would not even have tried: endorsing reunification with China while pledging to preserve Taiwan's economic and political autonomy.

In his inaugural address on Sunday, Mr. Li laid down specific conditions under which Taiwan would agree to direct cultural and commercial exchanges with the mainland and expanded his commitment to democratization in Taiwan.

His speech elaborated on a proposal last week for dialogue with Beijing on a government-to-government basis, the first time any Taiwan official had made such an offer. The proposal was quickly dismissed by the Chinese government, which remains adamantly opposed to any reunification talks that would give Taipei parity with Beijing.

Nevertheless, Mr. Li's new pragmatism has struck a popular note with the public and has been generally applauded by legislators across the political spectrum, analysts and legislators in Taipei said.

NEWS ANALYSIS

"Mr. Li is a very practical person," said Daniel Yuan, the president of National Chiao Tung University. "The people in Taiwan are practical. We know what can be done and what can't be done. We just hope something will happen in time."

Beijing's response to Mr. Li's gestures came as no surprise, and few political analysts say they anticipate a quick solution to the 40-year estrangement between the two nations. But the timing and the tenor of Mr. Li's remarks revealed a capacity for handling challenges that many thought beyond a man once regarded as a capable, but aloof, technocrat.

In his speech on Sunday, Mr. Li committed himself to the continued democratization of Taiwan, which began in 1987, when the governing Kuomintang, or Nationalist Party, repealed martial law on the island.

He pledged to dismantle the Temporary Provisions During the Period of Communist Rebellion, a law that was enacted shortly after the Kuomintang set up a govern-

See TAIWAN, Page 4

Greenhouse Effect: Can the Oceans Iron It Out?

By William Booth
Washington Post Service

WASHINGTON — Scientists have proposed dumping hundreds of thousands of tons of iron into the oceans to create giant blooms of algae that could soak up excess carbon dioxide believed to be responsible for global warming.

The plan to battle the "greenhouse effect" on Earth would be among the greatest manipulations of nature ever tried, researchers say.

The proposal to dump iron into the oceans has been given a quiet endorsement by a special panel of the National Research Council, an arm of the National Academies of Sciences and Engineering, which is chartered by Congress to advise the government on scientific and technical issues.

The panel concluded that it was "conceptually feasible" to slow the increase in atmospheric carbon dioxide by fertilizing the oceans with iron, which many scientists now say they believe is the one element that limits the growth of marine algae in many environments.

In a report that has not been made public, the group recommended that, "after careful modeling and appropriate preliminary experiments," a large international "iron-enrichment experiment" be carried out at a cost of $50 million to $150 million. Researchers have suggested that the first experiment be conducted off the coast of Antarctica or Alaska.

"You give me half a tanker full of iron, I'll give you another ice age," said John Martin of Moss Landing Marine Laboratories in California, one of the leading proponents of the iron-enrichment proposal.

Scientists are unsure, however, about harmful effects of such a program. Marine algae are the foundation of the ocean food web. They feed krill, the crustaceans and larvae that, in turn, are eaten by fish, seals, penguins and whales. Disruption of the food chain in any way could have unknown effects.

Yet on the basis of new findings published by Mr. Martin and his colleagues, many ocean scientists believe that populations of the tiny marine algae called phytoplankton are held in check only by a lack of iron. The plants need iron to convert nutrients like nitrogen into amino acids, the building blocks of proteins.

If iron could be sprayed upon the otherwise nutrient-rich seas, perhaps in the form of powder or slow-release pellets, the marine plants should undergo tremendous growth, much like houseplants with plant food. The researchers do not think their experiment would run amok because the marine algae would grow only so long as other nutrients, like phosphorus and nitrogen, held out.

Like all plants that carry out photosynthesis, the growing phytoplankton absorb vast amounts of carbon dioxide, which is accumulating in the atmosphere because of the burning of fossil fuels. Many scientists predict that Earth will warm by an average of about 3 degrees Fahrenheit (1.67 degrees

See IRON, Page 4

Friction With Japan Is Easing, U.S. Envoy Says

Michael H. Armacost, Washington's ambassador in Tokyo, has had long experience in Japan both in and out of government and has also been the U.S. envoy to the Philippines. He spoke with Patrick L. Smith of the International Herald Tribune.

Q. It has been a tumultuous period for U.S.-Japan ties. Is the relationship entering a period of fundamental change, as many analysts forecast?

A. Tumultuous isn't a bad characterization. During the past year there was uncertainty in Japanese politics: three prime ministers, two general elections and four cabinets. It was our first experience in applying the 1988 trade bill, there was the initiation of the unprecedented structural trade talks, and there has been the tendency to begin examining more closely possible adjustments in the security relationship.

On all of these fronts there has been a lot of change and, because of the large deficit, considerable friction. But we've had a lot of progress in the past couple of months.

Q. Have we entered a process that you expect to extend over some years?

A. Everybody is adjusting security policy in light of the failures of communism; everyone is responding to new competitive conditions in the world economy. In general terms, the world is coming to terms with a much more powerful Japan. The immediate adjustments are taking place in the marketplace, but Japan's strength has also triggered other issues, and this will work its way out over a lengthy period.

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Q. The structural talks engage some basic issues. But there is disagreement as to the potential for this exercise, and skepticism outside of Washington as to how effective this can be.

MONDAY Q&A

A. Many people were surprised at the substance of the interim report [issued in April]. That's encouraging. Intentions have to be translated into guidelines or laws, but certainly relative to expectations, we've gone some distance.

Q. Japan, South Korea and Thailand are all breathing easier now, having avoided retaliation under Section 301 of the U.S. trade law. Has there been a fundamental change in the balance of power in Washington on the trade issue?

A. I haven't spent enough time in Washington to give a good view on that. But the results achieved certainly justify setting aside the 301 provisions and concentrating on real progress in getting clearer, enforceable multilateral rules in areas not regulated by the current General Agreement on Tariffs and Trade.

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Q. How do your feel about the so-called revisionists on the Japan-U.S. relationship? It is said that you have encouraged staff to read them, especially the Karel van Wolfren book, "The Enigma of Japanese Power."

A. I expect people in the embassy to be knowledgeable about this country and what people say about it.

Q. But what is your view on "containment," "managed trade" and other revisionist ideas?

A. I don't care for the term "containment." It's more appropriate for a geopolitical adversary than managing an alliance relationship. We haven't been trying to contain the Japanese economy; our objective has been to open market opportunities.

As far as managed trade is concerned, we have some already. Personally I don't believe our government does very well when it tries to manage trade.

Q. To what extent do you think changes in the political situation here could help or hinder U.S.-Japan ties. Would the United States benefit from a swift generational change among Japanese leaders or from Prime Minister Toshiki Kaifu's political restructuring?

A. I'm content to leave those issues to Japanese to sort out. They're internal. From our standpoint, the stabilization of Japanese politics after the last election [in February] has been beneficial because it permitted the government to focus on issues of concern to us.

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Q. Are you comfortable with the notion that the United States has effectively acted as Japan's opposition party in recent months?

A. We're not eagerly seeking to intrude into Japanese politics. Having said that, these structural talks have contributed to our political relationship. It is perhaps typical of our most mature relationships that we have an ability to appeal to public opinion directly, just as the Japanese can appeal to constituencies and opinion in the United States. That's a good thing.

Q. Turning to matters of defense and security, what is the future for Japan in this region? How might recently disclosed Pentagon plans to reduce forces effect the Japanese role?

A. Not very much. We're talking about marginal adjustments — 10 percent or so — in a fairly sizable presence during a period when the threat has been moderated. People are naturally interested in what further phases might envision, but we don't know yet. To the extent there are new issues before Japanese security planners, they are less ones of the U.S. presence than of how to respond to changes in the international situation.

Gorbachev on Tour: A Headache for U.S.

By Andrew Rosenthal

New York Times Service

HOUSTON — No hotel rooms have been reserved. The Kremlin has not come up with a schedule. Press arrangements have not been made. No one knows where they will get the fuel for Mikhail S. Gorbachev's Aeroflot plane.

With the start of the Washington summit meeting nine days away, the Soviet leader's plans to visit Minneapolis and California after the formal meetings have created turmoil in the White House and the State Department, administration officials said.

Cool to Mr. Gorbachev's tourism in the first place, the administration is now frustrated that even rudimentary preparations have not been made for the kind of cross-country trek that the White House would spend months planning.

In some ways, it is simply a cultural clash.

White House advance men, with their satellite pagers, cellular phones, walkie-talkies and minute-by-minute schedules, find it hard to handle the Kremlin, which has demonstrated a tendency toward last-minute arrangements at past summit meetings.

But there is also concern that there will not be enough time to get everything ready and that President George Bush could end up being embarrassed.

So while Mr. Bush played golf in Houston and inspected flood damage over the weekend, aides to the president and to Secretary of State James A. Baker 3d were not just trying to complete an arms-control treaty.

They were also trying to stop the tourist section of Mr. Gorbachev's visit from souring what is supposed to be a sound-bite-perfect visit.

"We want this to be the summit that shows that Bush and Gorbachev can sit down and talk despite all problems," one official said, "not the summit where everyone gets embarrassed because the Soviet staff has no hotel rooms in San Francisco."

Heightening Washington's anxiety, officials said, is that Americans of Baltic extraction and other groups are preparing protests along the Gorbachev route.

The Soviet advance team is due back in Washington early next week; the administration is hoping they will be ready to complete preparations for Mr. Gorbachev's travels. But a senior official said the fear was that "at the very last minute they're going to say to us, 'You guys have got to do it.'"

So far, administration officials said, they know only the basics about the trip: Mr. Gorbachev will fly from Washington to Minneapolis on Sunday, June 3; after about six hours there, he will fly to San Francisco, spend the night and visit Stanford University the next day before going home.

"Not a single hotel room has been reserved," an official said. "No decisions about schedules have been made — no planning, no logistical thought, no nothing. Local officials are making plans that we haven't been able to run by the Russians yet."

Organizers in Minneapolis want to get moving, since they are poised to field 10 to 12 press planes, rent 40 to 60 buses, install 2,000 telephones and handle tens of thousands, if not hundreds of thousands, of people.

To show that the city can handle such large crowds, organizers have sent Moscow aerial photographs of a World Series rally for the baseball Twins that drew 1.4 million people in 1987.

KGB and Secret Service security teams were due in over the weekend and a political advance team on Tuesday. "The Russians want ideas from us," an organizer said, "but they can't approve anything until they get here to look at it."

Mr. Gorbachev will not need accommodations in Minneapolis, but his advance teams will and so will reporters. And the question of where he will stay in San Francisco has not been settled. American officials are also anxious to know how Mr. Gorbachev intends to convey himself across the continent, since his Aeroflot jet takes a jet fuel not normally available in Minneapolis and San Francisco, officials said.

"Meanwhile, of course," one worried official said, "buses have been chartered and parks have been reserved for big protests."

Complicating the situation, officials said, was the lack of a Soviet ambassador in Washington. The former ambassador, Yuri V. Dubinin, made one or two telephone calls about the cross-country trip and then left town, an official said.

Administration officials said they were not sure how deeply to get involved. In 1959, when Nikita S. Khrushchev went to California and Iowa, President Dwight D. Eisenhower gave him six Boeing 707s. But this White House is trying not to foot the bill for a Gorbachev trip.

The administration has also not decided whom to send along with the Soviet president. In 1959, Mr. Eisenhower sent Henry Cabot Lodge, then the chief U.S. delegate to the United Nations, around the country with Mr. Khrushchev.

Finally, the administration does not want to antagonize the Russians by suggesting that Americans can handle this sort of thing better.

"Everyone is in an uncomfortable quandary," an official said. "This is America the free, and they are free to go where they want and do what they want. But we want this to be happy and hassle-free, and we're not sure what to do beyond standing around and trying to be helpful."

The New York Times

CHEERS — A vodka manufacturer in Minneapolis using the image of Mikhail S. Gorbachev to lift sales. There have been calls to cover the billboards during the Soviet leader's visit to the city June 3.

Korean Police Battle 10,000

Rally to Mark Anniversary of '80 Riot Turns Violent

Compiled by Our Staff From Dispatches

KWANGJU, South Korea — Nearly 10,000 South Korean dissidents fought the police in the southwestern city of Kwangju for more than five hours on Sunday before being dispersed with tear gas.

The protests marked the third of a 10-day commemoration of the 1980 uprising in Kwangju.

The government said nearly 200 people were killed in the 1980 uprising, which was crushed by the army, but the dissidents and residents of Kwangju said many more died.

Kwangju, which is 260 kilometers (160 miles) southwest of Seoul, has become a rallying point for radicals.

The protests drew the dissidents, mostly students, from all over South Korea. But the rest of the country was quiet Sunday.

The police drove back most of the protesters with tear gas or by breaking them into smaller groups and forcing them into alleyways.

South Korean officials said about 30 policemen were injured during the clash.

And a few bands of protesters, each about 1,500 strong, taunted the police well after dark.

Leaders of the dissidents had called for a demonstration, which was declared illegal by authorities, in front of the provincial capital building.

The riot police sealed off streets one block from the building, but they were unable to stop the students streaming in from a maze of alleyways.

And battles raged at several big intersections.

The demonstration was called by the students and workers to demand the removal of President Roh Tae Woo and the dissolution of his Democratic Justice Party.

Witnesses said most of the protesters belonged to the radical National Student Federation, a banned student alliance that held a rally on Saturday at a Kwangju campus.

They said that most of the dissidents seemed to be from Seoul or cities other than Kwangju.

The residents of Kwangju supported the protesters. Older passers-by stopped to bring them supplies of rocks to throw at the police, or intervened when the police tried to make arrests.

A student, Shin Jang Ho, 21, died Saturday of injuries sustained when he jumped from a moving train to evade the police.

The chairman of the National Student Federation, Song Gab Sok, blamed the government for the death, and he vowed "to continue the struggle."

Mr. Song said that a huge funeral procession would be held in Kwangju on Wednesday, when the body of the student was to be taken to a cemetery.

Because many residents believe the United States is responsible for the military crush of the 1980 uprising, anti-American sentiment in Kwangju is strong. Many protesters shouted, "Yankee go home."

The dissidents accuse the United States of perpetuating the division of the Korean Peninsula between a communist North and capitalist South.

Earlier on Sunday, thousands of riot policemen firing tear gas stormed a university campus to disperse 5,000 radical students and workers who were staging an anti-government rally.

The radical students and workers battled the police in a thick fog of tear gas inside the campus.

(Reuters, AP, AFP)

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— ***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
— **hand delivery	S.Kr.	2,800	840	1,540
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Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies	275
Rest of Africa, Gulf States, Asia	$	650	by	355
Central/Latin America	$	600	country	330

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First Photo By Hubble Delights the Scientists

The Associated Press

GREENBELT, Maryland — NASA engineers captured the "first light" photograph of the Hubble Space Telescope on Sunday, and a scientist said the experts "were pleased as punch" with the spectacular image.

A camera on the telescope clicked its shutter twice, and the images were relayed to the ground, giving astronomers their first glimpses of the view from the $1.5 billion telescope.

"It's quite an image. Fantastic," James Westphal, the principal scientist for the camera used in the first photo exercise, said as one of the photos was displayed on a TV screen.

"We are just as pleased as punch at this point," Mr. Westphal said. "Our image is significantly better than we were concerned that it might be."

He said the Hubble image revealed a double star that was previously unseen in ground-based photographs taken at an observatory in Chile.

"We didn't know it was a double star," Mr. Westphal said, noting that he had expected the first image to be "an engineering test."

The target for Hubble's first image was a star cluster called Theta Carina, a group of objects about 1,260 light years from Earth. The telescope took two exposures, one for a single second and another lasting 30 seconds.

Scientists said that eventually they expected to get photographs at least seven times sharper than the one released Sunday.

The initial look at the photo showed very faint points of light on a gray field. After manipulation, the stars were brightened, the background was darkened and the double star could be seen easily.

Theta Carina is part of a constellation called Carina, a word that means "ship's keel." It is visible from the ground only in the Southern Hemisphere. The star cluster is identified in the New General Catalogue of stars as 3532 and is thought to be 3 billion years old. Its distance from Earth is about 7.4 quadrillion miles.

VOTE:

Iliescu Elected

(Continued from Page 1)

rules by the Front, including an attack on a Peasants Party supervisor inside a polling station.

"In my opinion, none of the conditions for truly free elections has been met," said Sonia Mink, an observer of the Socialist Party of France.

She said that at a polling station in Jilava, 20 kilometers (12 miles) south of Bucharest, supporters of the Front had stood at the entrance chanting, "Vote Iliescu," and had shoved a man they mistook for an opposition candidate.

Another Western observer who toured an area around the western city of Timisoara, the birthplace of the December revolt, said the Front had a "clear grip" on polling stations in smaller villages.

"It's very subtle," said the observer, who asked not to be identified, "but at one station, for instance, soldiers guarding it were all carrying roses," the symbol of the Front.

"At another one, there were NSF posters in the station," the observer said.

An election bureau statement said all alleged abuses would be investigated.

"We will not conceal any serious problem so that we can prove we are a democratic country," it said.

The campaign in Romania was marred by clashes, charges of intimidation and allegations that the Front had a stranglehold on the media. *(Reuters, AFP)*

Also Voting: Children of Ceausescu

Reuters

BUCHAREST — The three children of Nicolae Ceausescu, the former Romanian leader, voted in national elections on Sunday, but they would not say which party they had backed.

All three have been charged or are under investigation for offenses committed during their father's rule.

Nicu Ceausescu remained silent as he emerged after 10 minutes in a Bucharest voting station. He has been charged with ordering troops to fire at unarmed demonstrators in an uprising, in which 89 people were killed and 219 wounded.

Valentin Ceausescu, an adopted son, said, "I find it difficult to say something, as my information concerning the elections is quite scarce."

Zoia Ceausescu, who left the voting booth within seconds, apparently did not mark her ballot.

Valentin and Zoia Ceausescu are being investigated on suspicion of corruption and misuse of public funds.

WORLD BRIEFS

Foreign Ministers Put EC on Track Toward an Undefined Political Union

PARKNASILLA, Ireland (Reuters) — European Community foreign ministers on Sunday put the 12-nation group on track for political union, but they differed on the meaning of such a union.

"We have got the train started," Foreign Minister Roland Dumas of France said after an informal weekend meeting at a seaside resort in western Ireland. "Everybody agrees that we now have to make a qualitative leap."

A definition of the political union still has to emerge before a June summit meeting in Dublin, where EC leaders are expected to call a conference for the end of the year on the issue.

West Germany, which with France started the campaign for closer political integration within the Community, wants more powers for the EC Parliament. Britain does not want any interference with monarchies, national parliaments, electoral and legal systems.

Contras' Disarming Said to Continue

MANAGUA (AP) — In a turnabout, Nicaraguan government officials and U.S.-backed rebels have denied that the guerrillas had stopped laying down their arms.

The government coordinator for the disarmament, Roberto Ferrey, denied Saturday that the disarmament had stopped. "At no time has the demobilization and disarmament process been suspended," he said. The rebels, known as contras, had agreed to disarm by June 10, but the process has been going slowly, with only 1,000 of about 11,000 fighters laying down their weapons by Thursday.

A rebel military commander, Israel Galeano, said last week that the disarmament process had been suspended, citing what he called broken promises and "social instability." But in Miami, a spokesman for the contras said over the weekend that Mr. Galeano's statements had been "deauthorized" by the rebels.

Recount Set in Dominican Republic

SANTO DOMINGO, Dominican Republic (NYT) — With a margin of only about 0.5 percent separating the two leading presidential candidates, the major political parties have agreed to a ballot-by-ballot recount that is expected to take up to 10 days.

With the count about 90 percent complete, former President Jimmy Carter, who is in the Dominican Republic as an election observer, urged that the tabulation be suspended and that a new count be ordered to dampen rising charges of irregularities.

Last week, when the count from the Wednesday election showed that President Joaquín Balaguer, 83, held a tiny lead, Juan Bosch, 80 a leftist candidate who had been favored in pre-election polls, urged his supporters to challenge what he asserted was a manipulation of the count. Supporters of Mr. Bosch massed outside the office of his Dominican Liberation Party, threatening to march on the Presidential Palace.

Court Ruling Roils Egyptian Politics

CAIRO (Reuters) — A court ruling that the parliament was elected illegally has plunged Egypt into a legislative vacuum and could force President Hosni Mubarak to call general elections, diplomats and lawyers said Sunday.

The Supreme Constitutional Court said Saturday that a 1986 electoral law that mandated the use of party lists in elections had discriminated against independent candidates and that the current parliament was therefore nullified. The ruling was handed down amid rumblings of popular discontent after major cuts in food subsidies as the government tries to gain favor with the International Monetary Fund.

The ruling will be published in the government gazette on June 1. Lawyers said all laws passed by parliament after June 2 would be invalid.

Singapore Chief Fears U.S. Isolation

PARIS (AFP) — Singapore's prime minister, Lee Kuan Yew, has expressed concerns that a U.S. military pullout from Europe could prompt a return to American isolationism and a reduction of U.S. commitments in Asia.

Mr. Lee, who arrived in France on Sunday for a four-day visit, told Le Monde that talks during his European tour would give him an "idea of what the Asia-Pacific zone may expect, because Europe is going to determine the new world balance."

"If, for example, the Americans are not asked to participate in the defense of the new Europe, there is a greater chance that the United States may return to isolationism and reduce its commitments in Asia," he said in an interview published on Saturday. "That would be a very negative development."

Hunt for Students Ends, China Says

BEIJING (Reuters) — Government security forces have stopped hunting students who took part in political unrest last year, the Chinese Communist party chairman, Jiang Zemin, said in an interview broadcast Sunday in Japan.

"We have completely given up our pursuit of students who took part in demonstrations and strikes," Mr. Jiang said in the interview with the Japanese public television network NHK.

Diplomats in Beijing said Mr. Jiang's remarks were the latest in a series of statements made by Chinese leaders in an attempt to persuade other governments to end sanctions imposed after Chinese Army troops massacred pro-democracy demonstrators in Beijing on June 3-4.

TRAVEL UPDATE

A threatened strike against SAS by cabin crew members was called off at the last minute. The Norwegian Cabin Attendants Union and the Scandinavian airline reached a preliminary agreement just after midnight on Saturday, when the strike was to go into effect. *(Reuters)*

Clocks in the Philippines will be moved ahead one hour at midnight Sunday as part of measures to cope with a severe power shortage. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Cameroon, Canada, Chile.

TUESDAY: Sri Lanka.

WEDNESDAY: Ivory Coast, Jamaica, Madagascar, Monaco, Morocco.

THURSDAY: Andorra, Austria, Belgium, Belize, Bermuda, Botswana, Bulgaria, Burkina Faso, Burundi, Cameroon, Central African Republic, Denmark, Ecuador, Finland, France, Haiti, Iceland, Indonesia, Iran, Ivory Coast, Lebanon, Lesotho, Liechtenstein, Luxembourg, Madagascar, Monaco, Namibia, Netherlands, Norway, Rwanda, Senegal, South Africa, Swaziland, Sweden, Switzerland, Vatican City, Venezuela, West Germany.

FRIDAY: Argentina, Belgium, Central African Republic, Chad, Guinea, Jordan, Madagascar, Mali, Mauritania, Zambia, Zimbabwe.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE

	HIGH		LOW		
	C	F	C	F	
Amsterdam	20	68	7	45	fr
Athens	27	81	20	68	cl
Barcelona	24	75	18	64	cl
Belgrade	19	66	7	45	cl
Berlin	17	63	8	46	fr
Brussels	22	72	8	46	cl
Budapest	18	64	9	48	fr
Copenhagen	15	59	5	41	cl
Costa Del Sol	28	82	17	63	cl
Dublin	14	57	9	48	o
Edinburgh	12	54	2	36	o
Faro	23	73	14	57	fr
Florence	28	82	16	61	cl
Frankfurt	22	72	9	48	fr
Geneva	18	64	10	50	cl
Helsinki	12	54	3	38	cl
Las Palmas	23	73	18	64	fr
Lisbon	21	70	14	57	cl
London	16	61	7	45	cl
Luxembourg	22	72	11	52	fr
Madrid	24	75	12	54	cl
Milan	19	66	15	59	o
Moscow	9	48	2	36	cl
Munich	18	64	7	45	cl
Nice	22	72	18	64	cl
Oslo	15	59	6	43	cl
Paris	24	75	11	52	cl
Prague	17	63	6	43	cl
Reykjavik	9	48	6	43	r
Rome	25	77	12	54	cl
Stockholm	14	57	2	36	cl
Strasbourg	23	73	11	52	fr
Venice	22	72	16	61	cl
Vienna	17	63	9	48	cl
Warsaw	11	52	1	34	cl
Zurich	22	72	13	55	fr

MIDDLE EAST

Ankara	—	—	—	—	na
Cairo	—	—	—	—	na
Istanbul	—	—	—	—	na
Jerusalem	22	72	13	55	fr
Tel Aviv	25	77	16	61	fr

OCEANIA

Auckland	—	—	—	—	na
Sydney	16	61	7	45	sh

ASIA

	HIGH		LOW		
	C	F	C	F	
Bangkok	32	90	25	77	st
Beijing	27	81	15	59	fr
Hong Kong	28	82	23	73	fr
Manila	33	91	26	79	cl
New Delhi	37	98	24	75	cl
Seoul	19	66	13	55	fo
Shanghai	27	81	17	63	fo
Singapore	32	90	25	77	st
Taipei	28	82	20	68	fr
Tokyo	23	73	18	64	r

AFRICA

Algiers	23	73	19	66	cl
Cape Town	21	70	13	55	o
Casablanca	20	68	17	63	cl
Harare	—	—	—	—	na
Lagos	31	88	28	82	o
Nairobi	27	81	15	59	cl
Tunis	30	86	17	63	cl

LATIN AMERICA

Buenos Aires	—	—	9	48	fr
Lima	22	72	16	61	cl
Mexico City	27	81	16	61	st
Rio de Janeiro	22	72	20	68	o

NORTH AMERICA

Anchorage	11	52	6	43	pc
Atlanta	30	86	20	68	pc
Boston	18	64	10	50	cl
Chicago	20	68	11	52	cl
Denver	24	75	7	45	pc
Detroit	19	66	11	52	pc
Honolulu	29	84	21	70	pc
Houston	32	90	24	75	pc
Los Angeles	24	75	15	59	pc
Miami	31	88	25	77	pc
Minneapolis	19	66	10	50	cl
Montreal	16	61	6	43	pc
Nassau	31	88	23	73	pc
New York	17	63	11	52	r
Phoenix	34	93	20	68	fr
San Francisco	17	63	9	48	sh
Seattle	16	61	8	46	sh
Toronto	16	61	8	46	cl
Washington	25	77	19	66	sh

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Stormy. Temp. 21—8 (70—46). LONDON: Fair. Temp. 17—7 (63—45). MADRID: Fair. Temp. 27—12 (81—54). NEW YORK: Cloudy. Temp. 19—11 (66—52). PARIS: Cloudy. Temp. 20—9 (68—48). ROME: Stormy. Temp. 25—11 (77—52). TEL AVIV: Not available. ZURICH: Stormy. Temp. 22—8 (72—46). BANGKOK: Partly cloudy. Temp. 34—27 (93—81). HONG KONG: Fair. Temp. 29—24 (84—75). MANILA: Rain. Temp. 36—25 (97—77). SEOUL: Showers. Temp. 22—12 (72—54). SINGAPORE: Fair. Temp. 30—26 (86—79). TOKYO: Cloudy. Temp. 24—17 (75—63).

AMERICAN TOPICS

Bilingual Workers Are Seeking a Bonus

Amid a rising tide of lawsuits, job grievances and contract demands, employees who say their foreign-language abilities simply mean more work for them are demanding extra pay, The New York Times reports.

For Hispanic as well as other bilingual workers, a chasm remains between what a professional translator is paid and what a stop-gap interpreter gets for answering the telephone, writing a letter or reading a suspect his rights for monolingual colleagues.

Seldom does it bring extra pay. For someone selling shoes, for example, extra time spent helping co-workers can mean fewer commissions. Law-enforcement officials and social workers finds it means less time for their own cases — and nothing to show for extra effort. They are sometimes kept in lower-level jobs dealing directly with the public regardless of their performance, their lawyers contend.

In the federal government, the first extensive foreign-language bonus policy is being set up in the FBI and Drug Enforcement Administration, two years after Congress voted pay differentials of up to 25 percent for bilingual work.

No Men for College

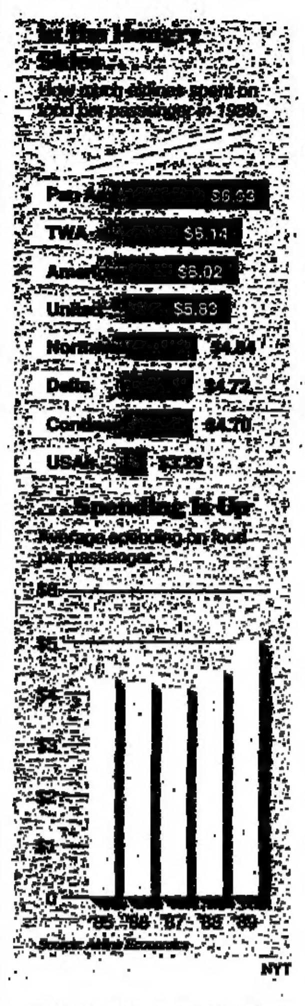
Pressured by a student strike supported by faculty and alumnae, the trustees of Mills College in California have voted to rescind a decision to admit men to the 138-year-old women's institution. The decision included a provision that the full-time undergraduate body grow from the current 772 to 1,000 by the fall of 1995.

On May 3, the trustees voted to admit male undergraduates as of the fall of 1991. Students responded with the strike and a blockade of the administration offices.

Students opposed co-education because studies show that women educated in women's colleges achieve higher positions in both the private and public realms after graduation. They also feared that men would usurp leadership roles on campus.

Short Takes

The U.S. Navy has reversed its longstanding requirement that applicants for pilot training have perfect "20/20" vision. The number of applicants is dropping; henceforth, candidates will be admitted if their vision is at least 20/30 — meaning they can see at 20 feet (6.09 meters) what someone with perfect vision would see at 30 feet — and is correctible to 20/20 with glasses or contact lenses. Pilots whose vision deteriorates after they get their wings can keep flying if it does not fall below 20/50 for fighter pilots and 20/200 for transport pilots. The air force and army say they have no plans to change the 20-20 requirement for flight cadets.



U.S. airlines spent $2 billion on food last year, or $5.05 per passenger. The eight domestic lines controlling 90 percent of the market are competing less on fares and more on seat width, frequent-flier programs and food, The New York Times reports. They also compete with foreign airlines, whose cuisine has a better reputation, but not everyone is impressed. "To me," says Wolfgang Puck, a Los Angeles restaurant owner, "an airplane is still a great place to diet."

Arthur Higbee

In a Racial Killing, Disparate Verdicts

2 Juries and Different Legal Issues Shaped Outcome of New York Trial

By William Glaberson
New York Times Service

NEW YORK — In two days, two separate juries in the same case presented New York with two very different verdicts.

Joseph Fama, 19, portrayed at his trial in the Bensonhurst racial killing as a slow-thinking tag-along, was convicted of murder and may never leave prison.

Keith Mondello, 19, who once admitted to being the leader of what prosecutors said was a mob of racist whites, was cleared of all homicide charges and is almost certain to return to freedom while still a young man.

The different answers came from two panels of New Yorkers in part, simply because they were two different panels. Juries take on lives of their own.

During the 10 days of deliberations, and in news conferences afterward, separate characters emerged for each.

But the different results last week can also be traced to what amounted to two very different cases, with different legal problems, even though they were presented at the same time in the same courtroom before the same judge.

The trial — in the killing of a black youth, Yusuf K. Hawkins, 16, in the Bensonhurst section of Brooklyn on Aug. 23, 1989 — was conducted in front of two juries. This was because legal rules required that some of the prosecution's evidence could not be used against both defendants. Conducting one trial rather than two is more efficient, cheaper and favored by the prosecution.

The Mondello jury, in most ways, had the more difficult task.

The case against Mr. Fama was a "who-done-it," as one of the prosecutors, Paul Burns, said in court. But the case against Keith Mondello, Mr. Burns said, was a "what-happened?"

Much of the prosecution's case against Mr. Mondello was built around a statement that he made to the police the day after the killing.

The statement said he gathered a group of whites the night of the killing, had a bat and, briefly, a gun and was present when Yusuf Hawkins was killed.

The jurors had to grapple with dramatically different prosecution and defense versions of how that statement was made and what it meant.

In the end, Mr. Mondello's lawyer, Stephen G. Murphy, said he believed the jurors were persuaded by his argument that Mr. Mondello never meant to confess to being part of a murder and was duped by police officers who were desperate to solve a big case.

Mr. Mondello's 20-year-old girlfriend testified that he had never said most of the things the police said he said.

The lawyers also wove for the Mondello jurors two subtly different versions of who Keith Mondello was and what led to the moment an innocent young man from another neighborhood was gunned down on a Brooklyn street.

NEWS ANALYSIS

In one version, Mr. Mondello was a frightened neighborhood boy protecting himself from the threat of a streetwise neighborhood girl who told him her black friends were coming to beat him up.

In the other version, the neighborhood girl, Gina Feliciano, was simply a young woman who wanted to invite her friends, of whatever color, to her 18th birthday party, and Mr. Mondello was an arrogant youth who mouthed racist and murderous threats and then set about to bring them to fruition.

The Fama case was simpler in almost every regard. The character of the defendant was less a part of the trial.

Instead, there were witnesses, among them the two con men and convicts who said Mr. Fama had confessed in jail to the murder, whose testimony could be discarded wholesale, as the jurors said it was.

And there was a Bensonhurst youth, Franklin Tighe, who said he had known Mr. Fama since childhood and who said he saw him fire a silver pistol at Yusuf Hawkins.

But Franklin Tighe's testimony could be discarded, too, and was, the jurors said. He had been suffering from hallucinations for years.

Because of a legal principle, the Fama jurors never heard about Mr. Mondello's statement naming Mr. Fama as the shooter. The legal principle is that anyone who is accused of a crime has the right to cross-examine his accuser.

Since Mr. Mondello was not going to take the stand voluntarily, and the prosecution could not force him to because of his right to avoid self-incrimination, his statement could not be used against Mr. Fama.

Without the statement of Mr. Mondello and the testimony of Franklin Tighe and the two jailhouse informants, the Fama case became a bare one but, perhaps, a simpler one to understand.

Matt Slothower/The Associated Press

A crowd in Brooklyn jeering marchers who were protesting the acquittal of Keith Mondello, 19, on murder and manslaughter charges.

Overcrowding Worsens in U.S. Prisons

By Andrew H. Malcolm
New York Times Service

WALLA WALLA, Washington — Fueled by new laws and stiffer sentences endorsed by an impatient public, state prison populations grew more than 10 percent last year and began to overwhelm even states like Washington, which had been among the few to avoid overcrowding.

By the end of 1989, state prisons housed a record 644,000 inmates, about 67,000 more than the year before. Federal prisons held 56,500 inmates, an increase of 12,000.

Virtually every state-prison system is being pushed beyond its intended capacity, despite court orders in 37 states to ease overcrowding.

Even $4 billion in new prison construction authorized last year, in addition to $4.4 billion in 1988, has not kept pace with the growing number of convictions.

California last winter opened two prisons that added 2,200 beds and brought the state's inmate capacity to 49,800 — 37,000 short of a prison population that sees 250 more convicts arriving weekly to sleep on cots in gyms and dayrooms.

In New York last year the prison population rose 15 percent, to 51,234.

The pressures on prisons are a result of mushrooming drug arrests, a decline in paroles and the stiffening of laws that create new classes of felonies, like being a habitual offender.

The flood of inmates is forcing many states to examine alternative penalties for nonviolent offenders in an effort to ensure that convicts receive at least some punishment and to avoid taking up prison space needed for violent offenders.

Some states have explored using halfway houses and house arrest under intensive supervision by probation officials. But the proportion of violent offenders has increased with drug arrests, so many prison systems are now hard-pressed to find enough nonviolent inmates to qualify for such alternatives.

Until recently alternative strategies were so effective that some states had vacant cells — which they rented out to others.

For instance, Washington last year held 1,800 federal inmates and prisoners from other states under its rent-a-cell program. At $65 per inmate per day, the state collected nearly $40 million over the past few years.

Missouri leased to other states 800 of the 5,000 prison beds that it built in the mid-1980s. Estimating an increase of 150 inmates a year, officials assumed the new cells would handle Missouri's prison population until nearly the year 2000. But in 1989 the number of prisoners increased by 1,600, to 13,437. The extra cells were used up in a few weeks.

The situation is even worse in Georgia, widely hailed as the leader in imaginative alternatives to simple but costly prison sentences.

"We're being overwhelmed simply by raw numbers," said Vince Fallin, the deputy prison commissioner for Georgia.

Last spring Georgia had 19,300 prisoners and 12,000 slots in other punishment programs, from house arrest to intensive probation. Today its prisons hold 21,000 inmates, with 3,200 waiting in overcrowded county jails and 14,000 new beds under construction. Another 20,000 convicts are in alternative programs.

And Georgia's prison population is projected to increase more than 60 percent in the next 21 months.

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Gorbachev's Decree: Private Housing

By Bill Keller

New York Times Service

MOSCOW — President Mikhail S. Gorbachev opened his campaign on Sunday to turn marketplace economics against intractable consumer problems, directing the government to let private individuals build, buy and sell their own homes.

The decree, published in Soviet newspapers, ordered the creation of a private housing market to address the country's acute shortage of living space.

But the initiative was likely to be greeted with weary skepticism by a public inured to the disappointments of Mr. Gorbachev's economic experiments.

Some Soviet economists warned that the Gorbachev decree could end as many other policy changes have — a victim of the smothering economic bureaucracy, of chronic shortages of building materials, and of deep popular mistrust of private enterprise.

"The idea is good, and it will probably help Gorbachev's popularity," said Gennadi N. Zorteyev, an economist at a research institute run the by the state planning agency Gosplan. "But I have serious doubts about whether it can be carried out in practice."

Mr. Gorbachev's market-oriented economic advisers had pressed for private homebuilding as a way to ease one of the bitterest complaints of Soviet consumers, and also to give citizens a way to spend billions of excess rubles that could otherwise fuel inflation.

The new program would encourage private construction and sale of housing in cities, suburbs and rural areas, including, *for the first time*, private ownership of housing lots.

Soviet housing is one of the grimmest features of a generally dismal standard of living. Some 14 million people are on waiting lists for better housing, lists that commonly stretch for 10 years.

Six million of them live in communal apartments, sharing bathrooms and kitchens with strangers, and many millions more occupy dormitories or shoebox apartments, whole families living and sleeping in a single room.

The housing shortage is blamed as a major factor in the high divorce rate, low birth rates and the immobility of the workforce.

More recently, the lack of housing for army officers who are being laid off in military cutbacks has provoked mounting discontent in the armed forces and caused the Kremlin to slow the pace of troop withdrawals from Eastern Europe.

Soviet citizens are allowed to buy their state-owned apartments under a law enacted last year, but few have been willing to forsake cheap, controlled rents for the responsibilities of ownership.

Gurami M. Vachnadze, deputy chairman of the State Committee for Architecture and Urban Planning, said that last year only 35,800 of the country's 76 million apartment units were sold into private hands.

Under existing law, a citizen can own only one apartment or house. The land belongs to the state, and local authorities control the resale.

Mr. Gorbachev's decree orders the government by Sept. 1 to come up with measures to encourage a private housing market, including state construction of new apartments for sale, bank loans and equipment rental for construction by individuals and small businesses, and the lifting of restrictions on citizens' "right to own, use, dispose of and inherit land plots with buildings."

Some of the measures would require parliamentary approval.

■ Lithuanians Hold Firm

The Lithuanian parliament, heeding the advice of Prime Minister Kazimiera Prunskiene, has rejected Mr. Gorbachev's call to suspend its declaration of independence, The Associated Press reported from Moscow.

Although no formal vote was taken, the legislators reached a consensus late Saturday to dismiss Mr. Gorbachev's demand because it would mean accepting Soviet control over Lithuania, a legislator, *Zigmas Vaisvilas, said Sunday*.

The parliament planned to reconvene Monday to formulate a counterproposal, according to Victoras Balmusas, a parliamentary spokesman.

Elsewhere in the Baltics, anti-independence forces formed a new group Sunday in Latvia and pro-Soviet groups in Estonia were planning strikes in government-owned enterprises on Monday.

It was not clear how much support they would muster. Similar strike calls last summer interrupted work at a few dozen businesses in *the Estonian capital, Tallinn*.

Estonia's independence drive won support from a group of Lithuanian, Latvian, Czechoslovak and Polish legislators who met near Tallinn and recommended that the Baltic republics be added to the 35-nation of Conference on Security and Cooperation in Europe, the Estonian news agency ETA reported.

SOVIETS: *For Gorbachev, Poverty Is the Most Critical Social Problem*

(Continued from Page 1)

change in Europe over the last five years, from Moscow's decision to cut its troops and let Eastern Europe go its own way to the erosion of Marxist-Leninist ideology.

At present poverty, the vast landscape of want, is Mr. Gorbachev's most critical social problem.

"How can we feed ourselves and live decent lives? That is what it's all about," said Tatiana I. Zaslavskaya, a sociologist who has long been a keen intellectual influence on Mr. Gorbachev. "Everything revolves around that."

Describing the Soviet Union in terms of poverty is no longer the work of ideologues from abroad. Now Communist Party press organs ruthlessly survey the wreckage of everyday life. Nothing, it seems, poisons ideological purity more thoroughly than an empty shelf.

Komsomolskaya Pravda, the party's youth newspaper, blames the system as it points out that before the 1917 Bolshevik Revolution, Russia ranked seventh in the world in per capita consumption and now is 77th — "just after South Africa but ahead of Romania."

"If we compare the quality of life in the developed countries with our own," the paper said, "we have to admit that from the viewpoint of civilized, developed society the overwhelming majority of the population of our country live below the poverty line."

Statistics here are still unreliable. But the Soviet Union does have an official poverty line of 78 rubles a month (about $125 at the official exchange rate). About 43 million people, many of them pensioners, fell below that line of "minimum material security" last year.

Most officials and scholars here and in the West argue that the poverty line figure should be raised to 125 rubles. At that level, about 131 million of the 285 million Soviet citizens would be registered as poor. Some Soviet experts believe the number is higher still.

"For decades we were striving to translate into life the idea of universal equality," an economist, Anatoli Deryabin, wrote in the official monthly journal Molodoi Kommunist. "So what have we achieved after all these years?

"Only 2.3 percent of all Soviet families can be called wealthy, and about 0.7 of these have earned that income lawfully," he said. "About 11.2 percent can be called middle-class or well-to-do. The rest, 86.5 percent, are simply poor. What we have is equality in poverty."

Everyone agrees that income is *hardly the point. Hardly* anyone, save the government elite, can insulate themselves much from the Soviet version of poverty.

"Even the 'millionaire' farm chairmen don't have hot water out here," a cotton farmer said in the Turkmenian countryside. Or as the Nobel prizewinning poet Joseph Brodsky, a Soviet émigré, remarked, "Money has nothing to do with it, since in a totalitarian state income brackets are of no great variety — in other words, every person is as poor as the next."

A few published figures only begin to give some sense of the scope of Soviet poverty: The average Soviet must work 10 times longer than the average American to buy a pound of meat; at least 500,000 internal refugees fled unrest in Transcaucasia and other regions and now mainly live in ramshackle settlements; the press estimates that 1.5 to 3 million people are homeless, that more than 1 million are unemployed in Uzbekistan alone and that the national infant mortality rate is 250 percent higher than in most Western countries, about the same level as Panama.

But the numbers begin to blur, *like puzzle pieces scattered on a* table. A microcosm of the problem can be found during the adult dinner shift in a communal kitchen at 14 Nikolai Ostrovsky Lane: the children still awake and racing through the hall, a Supreme Soviet session droning away on the television, the smell of beets and ammonia, sheets and shirts like pennants strewn across a cord, drying.

Sixteen people live here in five rooms. The rooms feed onto a narrow hall leading into every Russian's sacred refuge: a kitchen table covered with a checked oilcloth.

The Bairamovs, Vagid and Khal*bala*, are here, as are Boris and Maria Kirval, Tanya Zhukova, and Boris and Galina Pak. Workers, drivers, housewives, a teacher, an engineer. Ludmila Gaidacz, who lives alone in the corner room, is depressed and would rather not eat. Zoya Ivanovna Kuzmina, a pensioner in her late sixties, is on the phone, as always, to her sister.

Every family here — all but Zoya Ivanovna, who said she likes the "family noise" of a communal apartment — has been waiting for a place of their own for years. Everyone at the table works at least one job, spends hours in line and at the *end of the day comes home to an* apartment where noise is the norm and the toilet will fall over unless you sit on it just right.

"I came here to Moscow when I was still just a kid because I wanted to live better than we did in Azerbaijan," Vagid Baimarov said. "But to tell you the truth, I'm not sure Moscow is better than a lot of other cities now, not with the *priyekhavshi*" — the more than 2 million people from out of town who arrive every day looking to fill their empty shopping sacks.

"It's true," said his wife, Khalbala. "By afternoon, there is nothing in the stores. If you work all day, you're forced either to look for hours or spend triple the price in the co-ops or the private market." Even without indulging at the private markets, where prices are three and four times higher, most people must spend about half their monthly salaries on groceries.

The talk turned to the price of a woman's winter coat — at least 400 rubles, or two months' salary. To buy a car these days is usually only possible on the black market, and there the price for a new Zhiguli, a kind of degraded mid-1960s Fiat, is 35,000 rubles.

The only way to buy such things is extra work. Lately in Moscow one of the nastiest curses you can hurl at a person is, "May you live on one salary!"

And yet that is precisely what Tanya Zhukova must do. Her salary as an engineer is 140 rubles a month, plus the 20-ruble state subsidy she gets as a single mother. Even by the state standard, she is barely above the poverty line.

"I have to struggle," she said. "I can get some food by ordering it through the institute where I work twice a month, but not much. To tell you the truth, this apartment is my refuge. We are lucky, because in a lot of communal flats there are arguments, scandals, one family doesn't talk to the other, and it goes on like that for years. We're the *lucky ones*."

So bad is the economy throughout the provinces that hundreds of thousands of young people come to Moscow and live illegally or agree to work for especially low wages in exchange for the promise of a *propiska*, or residence permit.

These people live in overcrowded dormitories and, because of their precarious situation, have few rights as Muscovites and even fewer on the factory floor. They are called *limitchiki* and constitute a subclass whose poverty consists not only in their minimal salaries, but also in their lack of freedom.

"That's how I got here. That's how I started out," said Olya Koshkin, a 25-year-old construction worker who shares a bare room in a dormitory near the Danilovsky Monastery with her husband, Yuri, and their 4-year-old daughter. Their entire space is the size of a small Western sitting room. The television set in the corner represents their only luxury.

Muscovites deeply resent the influx of limitchiki. They accuse them of emptying out the stores and helping make Moscow just another Russian town — in other words, poor. But state enterprises *continue to hire the limitchiki*, knowing that they are cheap labor willing to do the worst jobs.

You will rarely, if ever, see a homeless person on the streets of Moscow. The police make sure of that. The Moscow *bomzhi* — the acronym for the homeless that stands for "without definite residence" — sleep in cemeteries, railroad stations, construction sites and basements. A favorite spot is the empty, uppermost floor of Moscow high rises, amid the ventilation pipes and heating ducts.

"There are all kinds of bomzhi," said Alexei Lebedev, a young activist who runs a small research group on the homeless and unemployed. "People who've lost their propiski, prisoners who are let go but have nowhere to go, drinkers, an addict once in a while, lost souls."

The homeless sometimes work, sometimes for money, sometimes for a bottle of vodka. You can see them afternoons helping the local liquor store unload a truck. They collect empties in the park and on garbage heaps. At airports and train stations, the homeless help the drivers hustle fares and then take a small cut. In Moscow they might hold a place in line; in Central Asia they take on migrant work at harvest time.

Many of the homeless around the Kazan train station in Moscow say they are "between jobs," or just lost their propiska, or are escaping some private crisis far away. They will do some work to get by and hope they can "get out of the hole," as one of the stalwarts of Kazan station said.

TOMORROW: Dying villages.

Britons Shun 'Mad Cow' for Sunday Lunch

LONDON (Reuters) — The traditional British Sunday lunch of roast beef was shunned this week by one in four households because of fears about an illness known as "Mad Cow Disease" that is sweeping British herds, an opinion poll showed.

A Gallup survey for the Sunday Telegraph newspaper also said more than 40 percent of those questioned were eating less beef, were considering cutting down or had stopped eating beef altogether because of the scare.

The disease, bovine spongiform encephalopathy, which has hit more than 13,000 cows in Britain, attacks their nervous system, eats at the brain and sends the animals mad. There is no cure, and all cases are fatal.

FLAKE: *Is Sea the Answer?*

(Continued from Page 1)

centigrade) by the year 2020, mainly *because of excess carbon dioxide in* the atmosphere.

The United States, because it occupies a large continent in higher latitudes, could warm by as much as 6 degrees Fahrenheit.

Marine plants remove carbon dioxide from the water. The water in turn interacts with the atmosphere to replenish the sea with carbon. The more the marine plants grow, the more carbon dioxide is absorbed from the atmosphere.

The idea of fertilizing the ocean with iron is attracting serious attention among scientists.

"I think it is a good idea," said Roger Revelle, the former director of the Scripps Institution of Oceanography and a researcher recognized as a father of global ocean-atmosphere studies. "I see no reason why it shouldn't work."

Anthony Michaels, a research scientist at the Bermuda Biological Station for Research, said, "There are lots of unknowns, but it is an enticing idea that is being actively pursued."

Mr. Michaels noted, however, that human intervention into biological affairs has had mixed results.

"If you start playing God with the *system," he said. "we don't under*stand it well enough to know what the outcome would be. The whole food web would be altered."

Gennadi Galperin/Reuters

MONARCHISTS IN MOSCOW — Monarchists praying for the soul of Nicholas II, who was forced to abdicate in 1917 and was later executed, during weekend observances in Moscow of the 128th birthday of Russia's last czar. Orthodox priests at Donski Monastery said Nicholas had been God's envoy and declared that only after a czar returned to power would Russian fortunes brighten.

TREATY: *Superpowers Clear an Arms Pact Hurdle*

(Continued from Page 1)

was reported after Mr. Baker's talks in Moscow, Mr. Bush said that this remained vital.

"We leave the negotiating to negotiators," he said. "But we've got to get that done and until it is totally finished, we've got to stay in close consultation. It is very important, not just to us, but to all of Europe and every place else."

■ A Hurdle Is Cleared

Don Oberdorfer of The Washington Post reported earlier from Moscow:

The United States and Soviet Union have agreed to controls on air-launched and sea-launched cruise missiles, resolving the troublesome issues that have recently been the main stumbling blocks to a new strategic arms treaty, Mr. Baker announced after four days of talks with Soviet officials.

Mr. Baker and Eduard A. Shevardnadze, the Soviet foreign minister, reached agreement Saturday after a night and day of complex negotiations that at times infuriated officials on both sides. But in the end they agreed to exclude from the planned treaty another nettlesome issue, a new U.S. cruise missile.

Mr. Baker also announced that the two sides had reached full agreement on a U.S.-Soviet accord slashing their chemical weapons stocks to 20 percent of the current U.S. level. As part of the accord, *the United States agreed to stop* production of chemical weapons immediately, he said.

A disappointment in the intense negotiations was the failure to make strides toward completion of a 23-nation treaty to sharply reduce land armies and other conventional forces in Europe.

Mr. Shevardnadze, pointing with pride to the achievements of the four days, said, "We have confidence that the treaty on strategic arms can be prepared for signature before the end of the year."

At their meeting in Washington, Mr. Bush and Mr. Gorbachev will also be able to sign protocols to the unratified 1974 and 1976 nuclear testing treaties as well as a U.S.-Soviet long-term grain agreement, a maritime transportation agreement, a maritime boundary agreement and an agreement on ocean studies, Mr. Baker said.

They also will sign accords to open cultural and information centers in Washington and Moscow, and to exchange 1,000 undergraduate students for study in each other's country.

ARMS: *U.S. Agrees to Compromise*

(Continued from Page 1)

accord, which could cut long-range nuclear weapons by one-third.

U.S. concessions on poison gas gave a major political boost to efforts to obtain a worldwide ban on chemical arms. Previously, the Bush administration had resisted congressional criticism of the U.S. program to produce new nerve gases, known as binary weapons because critical components are kept apart until they are used.

All the concessions appeared aimed at dispelling Soviet hard-liners' assertions that the United States is building weapons to overwhelm Soviet defenses.

Cruise missiles worry Moscow planners because they are so small and accurate that, in large numbers, they represent a major threat that could force the Soviet Union to invest in new air defenses.

At Soviet insistence, each side will be limited to 880 sea-launched nuclear cruise missiles. The ceiling is unlikely to affect U.S. plans for this weapon, known as the Tomahawk, because the Pentagon, under budget pressure, plans to build only about 700 of them.

Washington rejected Soviet demands to inspect warships and verify their nuclear weapons. The United States contends that the Western alliance is too dependent on sea lanes to permit naval arms control.

U.S. reassurances about the Tomahawks will come as a declaration attached to a START treaty. Officials said that it would have political and diplomatic weight, but would not be legally binding.

Similarly, Mr. Baker indicated that he had kept open U.S. options to build and deploy new air-launched cruise missiles with non-nuclear warheads. These conventionally armed "smart" missiles are expected to be an important U.S. weapon in future.

The U.S.-Soviet accords will not affect the new air-launched nuclear missile that NATO planners want to replace existing short-range nuclear rockets in Europe. Known as the TASM, or tactical air-to-surface missile, it is not a cruise missile and will have a range shorter than the 600-kilometer ceiling.

ISRAEL: *Gunman Kills 7*

(Continued from Page 1)

predicting that the government's new policies, including the sponsorship of aggressive new Jewish settlement initiatives in Jerusalem's Old City and the West Bank would soon lead to a new upsurge of the intifada.

Israeli commentators, who recalled that the revolt was originally touched off by a chance traffic accident in Gaza, expressed concern that the events Sunday could provide the spark needed for such an explosion.

So far, 688 Palestinians have been killed by Israeli soldiers and civilians in the 30 months of the uprising, according to tallies by news services, while more than 200 other Arabs have died in inter-Arab violence. Forty-three Israelis have been killed, including 16 who died when an Arab forced a commuter bus over a ledge on the Tel Aviv-Jerusalem highway in July.

In the incident on Sunday, about 50 laborers from the Gazan towns of Rafah and Khan Yunis had gathered by 5:45 A.M. in a sandy lot about the size of a football field at an intersection of two main roads in Rishon Le-Zion, just south of Tel Aviv.

"I was the last one to get there," said Abu Dukak, 28, who gave an account from his hospital bed.

"There was a soldier in the road who gave me a sign to stop," Mr. Dukak said, referring to the assailant. "We stopped, and he said, 'Get out of the car.' There were about 50 or 60 people on the road. He had made them get into three lines, and they were sitting on the ground.

"At about 6, he said, 'Do you know why you are here?' We said, 'No,' and he said, 'It's better that you don't know.'

"Then he started to shoot. He emptied a clip, loaded another and shot at those who had started to run. There were at least 120 bullets, maybe more."

After the shooting, the gunman commandered the Peugot auto that Mr. Dukak had arrived in and drove to his former girlfriend's apartment in Rishon Le-Zion. The police said they found him there after receiving an anonymous phone call.

After news of the shooting was broadcast, Arab shopkeepers in East Jerusalem and the territories shut down and workers in Israel streamed back toward the West Bank and Gaza, flashing headlights and waving black flags in mourning. Some briefly blocked a road south of Rishon Le-Zion before being dispersed by police.

In Gaza, the army quickly tried to impose a curfew to head off violence. An official source said, however, that the measure proved difficult to implement because children were already in school and word of the killings spread quickly.

"Most of the trouble came when the army tried to impose the curfew," the official said.

Other demonstrations erupted in Hebron and other West Bank towns when rumors spread that some of the slain laborers were local residents, the official said. By late Sunday, the army reported four persons killed by soldiers in Gaza, and one in the West Bank town of Kalkilya. Another Palestinian was killed in Hebron by gunfire of unknown origin, a spokesman said.

Burma Eases Martial Law

Reuters

BANGKOK — The governing junta has lifted martial law in an additional 20 towns, Rangoon radio reported, bringing to 110 the number of townships categorized as politically stable.

TAIWAN: *New Pragmatism Strikes a Popular Note*

(Continued from Page 1)

ment in Taiwan after its defeat by Communist forces in 1949. Under that law, members of Taiwan's National Assembly have been frozen in office for 40 years and dominate the presidential electoral process. The generally elderly and increasingly remote assembly was the target of violent protests during Mr. Li's electoral campaign in March.

In addition, Mr. Li said he would agree to direct cultural, economic, trade, scientific and technology exchanges between Taiwan and the mainland if Beijing would encourage democratic and economic restructuring and renounce the use of force against Taiwan.

Mr. Li is expected to use his international and domestic policy thrusts as counterweights against critics of the extreme left and right, which have kept him from consolidating his position since he assumed the presidency in 1988.

By endorsing the potential for reunification, the president has indulged the "one China" vision embraced by Mandarin rightists and obscured the influence of his conservative rivals. His choice of Taiwan's highest-ranking military officer, Defense Minister Han Pei-tsun, to be prime minister has also helped him disarm rightist critics.

Mr. Li's reunificationist message, which is bound up in conditions he knows Beijing will not accept, allows him the luxury of supporting a popular ideal without having to put it into effect.

His caveats on reunification also assure his people that he does not intend to barter Taiwan's autonomy for the sake of a united China.

Nevertheless, his overtures to Beijing and his appointment of General Han have antagonized Taiwan's more extreme liberals, many of whom oppose reunification with China's repressive government and primitive economy.

ACROSS

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21 Narrow inlet
22 Locale of the halls of ivy
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47 Prophet
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58 Ceremony
59 Despot
62 Egg: Comb. form
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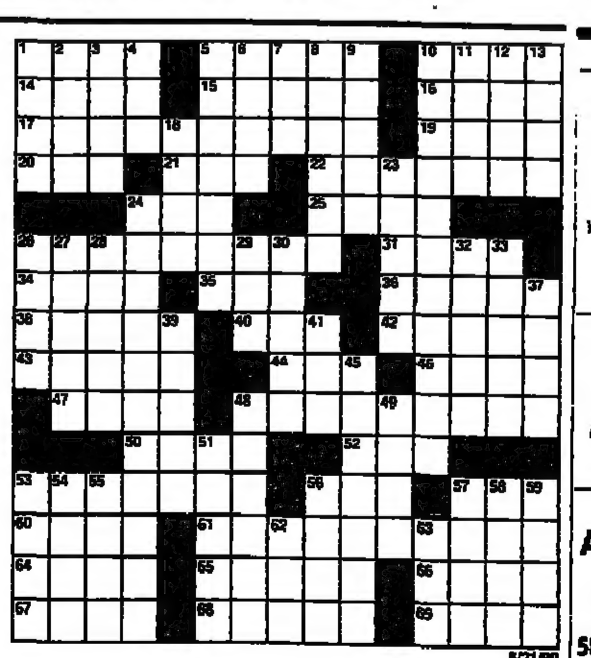

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Solution to Friday's Puzzle

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No-Strike Promise By Israel?

Official Silence On Cairo's Claim

By Alan Cowell
New York Times Service

CAIRO — The Egyptian government has said that in an effort to ease regional tension centering on Iraq, Egypt has secured an assurance from Israel that it will not launch a first strike against any Arab country.

The reported assurance, which Israel declined to confirm, coincided with new suggestions that Iraq was promoting direct peace talks with Iran, its arch-adversary.

The suggestions were seemingly intended to build a statesmanlike image of President Saddam Hussein of Iraq before an Arab summit meeting in Baghdad this week.

The summit meeting is supposed to discuss a range of issues, focusing on Soviet Jewish emigration to Israel and Iraq's fears of Western and Israeli retaliation against its growing arms industry.

Iraq's fears of Israeli military action date to a 1981 Israeli air strike, which destroyed a nuclear reactor near Baghdad.

Mr. Hussein warned recently he would destroy half of Israel with advanced chemical weapons if Israel again attacked his country.

Egypt's official Middle East News Agency said Saturday it had learned that in a recent contact, Israel promised Egypt "that it will not be the first to attack any Arab state."

Israeli officials said they could not confirm the report.

President Hosni Mubarak of Egypt has been trying to ease tensions between the West and Iraq over Baghdad's reported effort to assemble a so-called supergun capable of firing chemical warheads at Iran and Israel.

Customs officials in Turkey, Greece, Italy, West Germany and Britain have in recent weeks seized Iraq-bound shipments of machinery supposed to be part of the gun.

Iraq says the machinery is designed for its oil industry.

As Mr. Hussein seeks to marshal Arab support, he has also sent signals to Tehran offering direct peace talks to cement the 1988 cease-fire in the Iran-Iraq war by overcoming disputes over what issue should top the peace agenda.

Iran wants an immediate Iraqi withdrawal from occupied lands. Iraq is insisting that the Shatt-al-Arab waterway that forms part of their border be dredged before other issues are tackled.

Reuters

A WELCOME IN LIBYA — The Libyan leader, Colonel Moammar Gadhafi, left, greeting Nelson Mandela, in Tripoli. The South African black nationalist leader later flew from Libya to Cairo, where he met with President Hosni Mubarak and the U.S. ambassador to Egypt, Frank G. Wisner. Mr. Mandela is to go to Kenya on Monday, the last leg of his seven-nation African tour.

More Setbacks for Mengistu

Diplomats See Likelihood of Ethiopia Regime's Collapse

By Jane Perlez
New York Times Service

NAIROBI — After failing three times in the last two months to retake a strategic Red Sea port, and losing more than 30,000 soldiers either killed, wounded or captured, the military government of Ethiopia is in imminent danger of collapse, Western diplomats say.

The failure of the government offensive has allowed the rebel Eritrean People's Liberation Front to tighten its siege of Asmara, the capital of Eritrea, diplomats say.

The Eritreans are reported to have been shelling the airport at Asmara for almost two weeks. The airport is the last supply line for the northern city, which is defended by more than 100,000 troops of the Ethiopian 2d Army.

The government troops are the main strength of what is left of the government's military power, but they have been severely battered in the fighting.

"We're looking at a June offensive by the EPLF, when the rain comes, and a military denouement in the north," said a Western diplomat in Addis Ababa.

The rainy season is the best time for the rebels because it is the point when the Soviet-supplied Ethiopian Air Force is least effective.

The rebels, most of whose equipment is Soviet tanks, artillery and machine guns captured from the enemy, have no air power.

Western diplomats are reluctant to etch a timetable for what they consider the inevitable downfall of Lieutenant Colonel Mengistu Haile Mariam, who has ruled Ethiopia since 1974.

But one diplomat suggested that Colonel Mengistu's military fortunes had sunk so low that he might now be persuaded to depart voluntarily and create a transitional government to avoid chaos among the various well-armed groups now fighting the government.

Senior officials of the two main rebel groups, the Eritrean People's Liberation Front and the Tigre People's Liberation Front, have recently told diplomats and reporters that they are concerned their military victories are running ahead of their political ability to govern.

The two rebel groups have been coordinating military strategy and to a lesser extent political maneuvering for the last year.

A military defeat of the government seemed all the more inevitable, diplomats said, after the failure on Friday of a visit by an envoy of Colonel Mengistu, Kassa Kabede, in Washington.

Among Mr. Kabede's missions was to take part in negotiations for the internationalization of the port city of Massawa, an idea proposed by Washington.

The United States has been trying for several months to persuade Colonel Mengistu to agree to a United Nations presence at the port, which the Ethiopians have been bombing. Washington wants an international presence at the port for the purpose of distributing famine relief.

It was also thought such a move could lead to a cease-fire agreement.

The Ethiopian government has only shown interest in allowing an international presence in the port after its failure to retake it.

But diplomats say that since the Eritrean rebels repelled the government onslaught, they are feeling ever more confident and are not interested in a cease-fire.

The opening of Massawa for relief purposes, which the Eritrean forces agreed to soon after capturing it in February, would allow many times more food to be delivered to famine-stricken peasants than is now coming in by air and overland from Sudan.

But supplies that have already been delivered, as well as recent rains, have improved the situation somewhat. Thus, the diplomats said, the opening of the port has become more of a political issue.

Guerrillas Attack a Main Port in Liberia

Reuters

MONROVIA, Liberia — Rebels have extended an offensive against President Samuel K. Doe by attacking Liberia's second port, Buchanan, witnesses said Sunday.

The rebels, firing automatic weapons, entered the western seaport on Saturday and shooting continued until nightfall, the witnesses said.

Army reinforcements were seen leaving Monrovia, the capital of the West African country, for Buchanan on Sunday.

The situation in Buchanan, 70 miles (115 kilometers) southeast of Monrovia, was confused because most telephone lines were down. And a government official said he had no information.

Residents said that the Atlantic port was calm early Sunday, but it was not clear who controlled it.

"It's quiet but we are afraid to go outside," a resident said.

The rebels of the National Patriotic Front are led by a former Doe associate, Charles Taylor. They have pushed south and west since invading Liberia's northeastern Nimba County in December from Ivory Coast. The county borders Guinea and Ivory Coast.

The guerrilla force is estimated at 5,000 men.

Mr. Doe, 40, has survived many attempts to overthrow him since he seized power in a 1980 coup. He has kept many of his best troops in Monrovia around his fortress-like seaside mansion.

The rest of the army, which military analysts say is undisciplined and untrained in anti-guerrilla warfare, has kept to the towns, leaving the rebels free range in the bush.

So far the rebels have avoided committing men to holding large towns. Instead, they have cut off army garrisons and ambushed supply convoys trying to reach them.

The guerrillas halted their southward push at a rubber estate outside Buchanan at the end of last month to wait for fresh arms and men. Thus, many residents were able to leave the port well ahead of the attack.

Now, the rebels are within striking distance of Liberia's main international airport and of Monrovia, which Mr. Taylor vowed last week to capture.

On Wednesday, the rebels attacked Gbarnga, Liberia's second largest city, forcing thousands of inhabitants to flee. Gbarnga is 120 miles north of Monrovia.

The loss of Buchanan would be a psychological blow to Mr. Doe, but the military analysts doubt if it is of great strategic value.

■ Doe Asks All to Join Fight

Mr. Doe called on the entire population of Liberia on Friday to take up arms and join the fight against the rebels, The New York Times reported from Abidjan, Ivory Coast.

In a speech monitored in Abidjan, he said that all retired officers and enlisted men should rejoin the army, and that students and the elderly should "get their cutlasses and single-barrel guns and get in the bush" to fight the rebels.

"If you are a loyal citizen, then go out and defend your country," he told a meeting of tribal and political leaders in Monrovia.

The plea contrasts with Mr. Doe's earlier assertions, dismissing the rebel offensive as a series of remote and minor skirmishes exaggerated by foreign news accounts.

Guinea Bissau Charges Senegal With Incursion

The Associated Press

LISBON — Several soldiers were killed when frontier patrols of Guinea Bissau and its northern neighbor, Senegal, clashed on Guinean territory, the Portuguese news agency Lusa reported Sunday from Bissau, capital of the former Portuguese West African colony.

The agency said a Foreign Ministry statement read Saturday on state television denounced a Senegalese incursion on Thursday.

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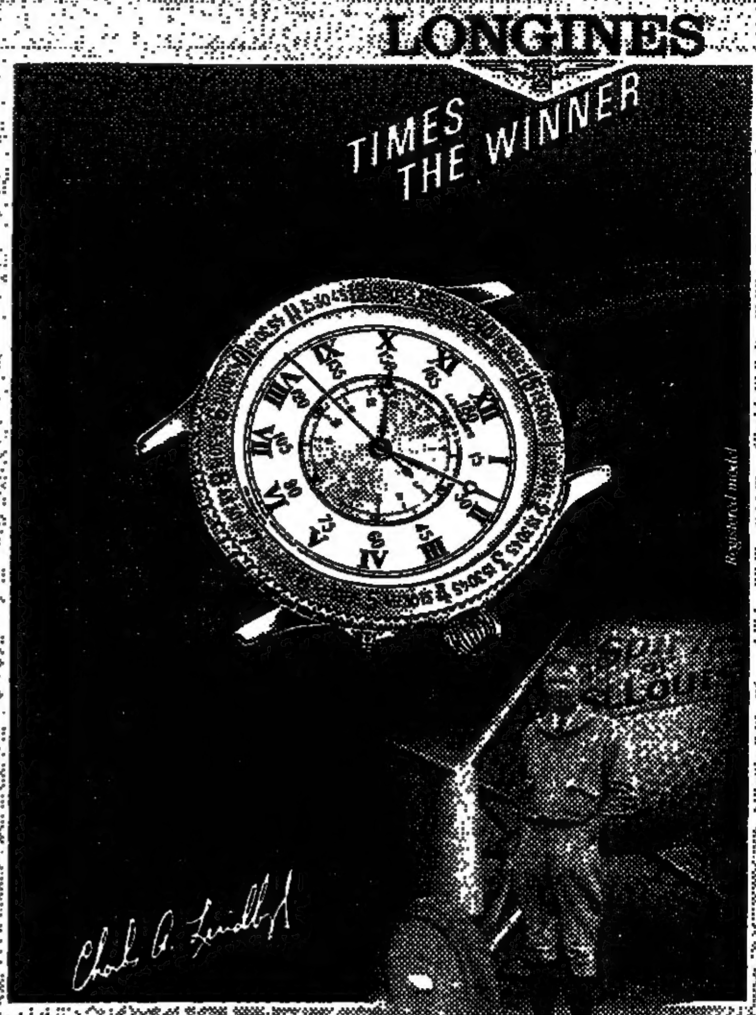

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On the Summit Track

It appears that Presidents George Bush and Mikhail Gorbachev are on track, although a bit shakily, for their summit beginning on May 30 in Washington. This is the result of the talks conducted in Moscow last week by their chief diplomatic aides. American officials had publicly speculated that Mr. Gorbachev, beset at home, might not be up to the head-cracking required to formulate suitable summit positions. But, regardless of whether these speculations were an artful bargaining ploy or an innocent reflection of gritty Kremlin reality, Mr. Gorbachev appears as determined to proceed as President Bush — conceivably even more so, when you factor in his evident urgent need to make his innovative foreign policy pay off.

The matter hanging most ominously over the Baker-Shevardnadze talks was Lithuania. For Mr. Gorbachev to have continued unchanged his policy of force, threat and pressure would surely have darkened the summit vista. He made a certain adjustment by receiving Lithuania's prime minister, even as the Lithuanians undertook to suspend the particular steps flowing from their declaration of independence. Secretary of State James Baker's contribution reflected the American ambivalence: to suggest that the Lithuanians go some distance toward meeting the Soviet condition for dialogue (suspending the declaration itself), but to make plain to Moscow that the United States is committed on a continuing basis to Lithuania's independence. A formal Soviet-Lithuanian dialogue, of course, would clear the summit air but would not of itself ease the underlying tension. Mr. Gorbachev is caught between fulfilling his promise of democratization and seeing his country fragment, and undercutting that promise and seeing his country explode.

The general question of putting overall Soviet-American relations on a stable basis is still far from resolved. But important specific items of summit business were advanced in Moscow. The difficult cruise-missile knots were untied in the START treaty limiting strategic arms. This treaty is already being dismissed in some quarters as having been overtaken by the breaching of the Berlin Wall, new arms programs and much else. But if its promised numbers and its significance for security look less dazzling than they once did, it remains a feat of negotiation and a platform for further efforts. The treaty on limiting conventional arms in Europe proceeds slowly, but this can yet add much confidence to the current exercise of redrawing the map of Europe. Cooperation on curbing production of chemical weapons is reported to be coming along well. All these things together will facilitate the normalizing of East-West economic contacts, which are of special interest to Moscow. Uncertainties persist, but the summit is shaping up as a major event.

— *THE WASHINGTON POST.*

A Modern Germany

By formal agreement concluded on Friday, the two Germanys will become one on July 1, barely eight months after the wall's fall. To most people, what was unthinkable then seems unremarkable now. Polls indicate that Americans are less concerned about German unification than are the Germans themselves. But that calm is not universal. People who remember World War II, and the unlearned lessons of World War I, remain queasy about the breakneck movement toward unification. And if there is unease in America, think how people must feel in the Soviet Union, on whose soil so many millions died.

Those who fought, suffered and learned the hard way are entitled to harbor doubts. Their question is entitled to be heard, and answered: Are they right to fear that Germany will revert to militarism, fascism or expansionism, once its unity and sovereignty is fully restored?

Some Americans, fearing a revival of militarism, want Germany to disarm. And no one thinks that Germany should have nuclear weapons. But a wholly disarmed Germany would sooner or later be an insecure Germany. And it would resent being denied, alone among its neighbors, the sovereign right of self-defense.

Indeed, many Germans, especially on the left, are wary of a professional army and are thus loath to end conscription. To assure that the draft continues to operate fairly, citizens in the eastern part of a united Germany will be eligible for military service. But, with the reduced Soviet threat, force cuts are fully warranted, and Bonn has already announced plans to shrink the Bundeswehr. It is also prepared to accept constraints on its armed forces as part of a 23-nation treaty soon to be concluded on conventional forces.

Beyond explicit arms arrangements, concerned observers can find reassurance in Bonn's well-developed political arrangements. Democratic traditions have taken hold in West Germany after nearly half a century. Traces of right-wing extremism and anti-Semitism persist on the fringe in West Germany, but they are much less of a concern than in, say, France.

It is the East Germans who, after two generations of totalitarian rule, may prove more susceptible to extremist excess. That is why Germany's friends have been especially concerned that unification arrangements respond to the deep-seated wishes and anxieties of the East German people.

The more plausible danger is that, if care is not taken, the Soviet Union of tomorrow may resemble the Germany of 1930. That is why Bonn and Washington, as they join in restoring full sovereignty to a unified Germany, will have to go out of their way to satisfy understandable Soviet desires for security, prestige and prosperity.

The Germany of 60 years ago was a deeply dissatisfied society, embittered by what many people felt was an unjust settlement of World War I, battered by depression and disdainful of a then fragile democratic tradition. But not today. Self-confident, Germany is more likely to flex its muscle in the economic realm. Such assertiveness may breed resentment, but it will contribute to, not threaten, the long peace in Europe.

— *THE NEW YORK TIMES.*

Phase Out the Bases

If the Philippines truly does not want the United States to keep its bases there, the thing to do is simple: Leave. Maintaining a good relationship and avoiding rancor is more important to American security than holding on to the bases. But there is a better answer: Leave gradually.

The two giant installations — the naval base at Subic Bay and the air base at Clark Field — remain important but are no longer critical. Just as the Cold War is melting in Europe, there is a thaw in Asia and the Pacific. In the emerging Pacific world, American air and naval forces can be reduced and otherwise accommodated.

The Philippines recently served notice that it would terminate the current 25-year base pact when it expires in September 1991. The action was more a bargaining step for more aid than a threat. But it also reflected growing nationalist resentment of the old colonial relationship.

Even so, the U.S. presence has strongly supported Philippine as well as American security. And to operate the bases, the United States injects $1 billion a year into the Philippine economy, some 3 percent of its gross national product. This year, U.S. aid includes an additional $513 million, most of which is considered rent for the bases.

But many Filipinos bridle at the U.S. presence, attributing the predatory dictatorship of Ferdinand Marcos to Washington's enduring power. Even President Corazon Aquino, a friend of America, cannot envision an indefinite large-scale U.S. presence.

There is a way to reconcile American bases with Philippine nationalism: gradualism. The two sides could agree now to phase out the bases by the end of the century. Such an arrangement would allow the Philippines time to make the necessary economic adjustments. Meanwhile, the United States could arrange alternate bases in Japan, Guam, Hawaii or Singapore. Manila also could follow Singapore's example, commercialize the facilities and make private contracts with U.S. forces.

Whatever strategic value the two U.S. bases still possess would be more than negated if they came to poison the relationship between the two countries. Phasing out the bases gradually can meet everyone's needs.

— *THE NEW YORK TIMES.*

Other Comment

Drawing Chinese Together

In a move that amounts to recognition of the Communist government, Taiwanese President Li Teng-hui [last] week offered to hold talks with Beijing "for the future and prosperity of all Chinese people," as a presidential spokesman put it. Mr. Li was responding to a proposal for party-to-party discussions between the Chinese Communist Party and the Kuomintang. This Taipei ruled out, insisting that the talks be held between the two governments, both enjoying equal status, within the one-China framework. Beijing's initial response is not very encouraging, but there is no reason to believe that it represents a final position.

A Greater China that combines the economic potential of the mainland and the thrusting entrepreneurship of Taiwan and Hong Kong is an economic possibility. Arriving at a political agreement would underpin and complete that process. Such formulae are difficult to find because their makers first have to get rid of the baggage of history, and great powers do not like to be seen changing course too quickly.

The drawing together of China and Taiwan would represent a true historical milestone, an event of the same national value as the victory over Japanese imperialism four decades ago. The prospects of making that sort of history must stir the heart of any leader who believes in the organic oneness of China, and in its future.

— *The Straits Times (Singapore).*

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel 472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 United Kingdom, Herald Tribune House, 63 Long Acre, London WC2. Tel. 836-4802. Telex 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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OPINION

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Argentina: Menem's Energy Looks Like an Asset

By Flora Lewis

BUENOS AIRES — Some people here are convinced that Carlos Saúl Menem is the one who can at last lever this country out of deep doldrums. Some don't trust him at all. But practically all of the dozens of Argentines I have spoken with find him strange, a man they can't pin down.

"He's intuitive," many said. He doesn't have a big scheme. He reacts to problems, which can be an advantage as well as a disadvantage in a country that kept falling on its face with great plans. Now Argentina wants practical results.

President Menem is a slight, wiry man, restless but poised, with long, wavy hair and a broad smile. He exudes confidence, even as he turns his professed Peronist principles on their head. He has a very different, populist style, but he may be like Charles de Gaulle on Algeria in the sense that he can get his country to accept the opposite of what it expected from him.

One Argentine commentator said: "I can't fathom him. He's an Arab and he has a different mentality."

Mr. Menem, born in Argentina, is of Syrian origin, and the big gossip of Buenos Aires is his running battle with his estranged wife, Zulema, who has retained her Muslim faith. But his amorous adventures don't seem to upset anybody else, and he has demonstrated widely effective personal appeal.

He is a product of the Peronist movement, which he ostensibly restored to power. His supporters display souvenirs of Juan Perón and his wife Evita. But when I asked him what Peronism means now, he said: "It has its doctrine; it was born here. It has no links to any international movement. It is profoundly democratic, based on the people who are marginalized, unionist, tied to the social doctrine of the church." Not very clear.

Traditionally, Peronism was a corporativist, authoritarian movement that combined aspects of European fascism and nationalism with grandiose welfare programs based on a proprietary state. Mr. Menem is privatizing at breakneck speed, now telephones, airlines, railroads, some highways; coming up are probably steel and shipyards, then more. He said he wanted to privatize everything but basic government tasks — education, health, justice, security and foreign relations.

He plans to sell off some of the many enterprises owned by the armed forces, but so as to buy them new, modern equipment. He keeps on good terms with the military, insisting on a highly controversial pardon for those accused of crimes, with no sign of resentment that he himself was detained for three years by the military dictatorship without any grounds.

Critics say Argentine capitalism simply is not up to taking over the economy. It is as inefficient and corrupt as state management, scarcely entrepreneurial but dependent on the state in the 18th century mercantilist style. Flight capital is estimated at something over $50 billion, near the state's foreign debt of $62 billion.

Asked why he expects foreign investors to send money here when Argentines send their money abroad, Mr. Menem responded: "Capital is capital. It has no nationality. I don't think in terms of Argentine or foreign investment. It comes where the prospects are good and there are guarantees for exporting profits."

Such talk is normal on Wall Street. It is new from the heir of Juan Perón, and it disorients his followers. Still, neither his old opponents nor the new ones who can't swallow his about-face have anything else to propose. The union movement is split, and even those who protest against the rising unemployment, falling living standards and the squeeze that hurts the poorest the most do not claim they can do anything about it.

Hyperinflation is the greatest fear now. Skeptical, or with a glimmer of hope, people seem resigned to putting up with whatever it takes to launch economic growth and extract the state from bankruptcy.

There are similarities in Argentina to Communist countries emerging from state-run economies, without management experience in an open market, trying out democracy on a fragile basis with a background habit of resort to coercion. "Stick with reform," Mr. Menem said he would advise Mikhail Gorbachev, and there is growing conviction that this is what he means to do here. Whether it will work before another round of profound disillusion sets in is a different question.

One way or another, so many countries face the same issues now. Each feels that it deserves special consideration. But Argentina has not really figured out why it went wrong, which is a handicap. For now, Mr. Menem's lively personality seems to be an asset.

The New York Times.

Let Cambodians, Too, Vote the Communists Out

By Elizabeth Becker

PARIS — Democratic elections could be held in Cambodia now if the West would support giving Cambodians the same opportunity that allowed Nicaraguans, East Germans and Hungarians to vote out their Communist governments.

After the first season of fighting following the September withdrawal of Vietnam's main occupation force, the military and political landscapes have changed and clarified the choices. The government in Phnom Penh finally has agreed to the major demands made at the Paris conference last August — specifically, the crucial pledge to hold free, multiparty elections under United Nations supervision and let the world body verify the Vietnamese withdrawal and monitor a cease-fire.

On the other side, the non-Communist rebels fighting the government have been big losers. They have lost most of their independence and can no longer be considered the major voice of Cambodians who want democracy. More than ever, democratic elections rather than policies pinned to personalities or factions are the only way to give Cambodians a choice other than that of the Phnom Penh government or the Khmer Rouge.

The non-Communist armies have been chewed up in combat and can operate only in conjunction with Khmer Rouge forces. Jeannou Lacaze, a former French army chief of staff and conservative member of the European Parliament, returned from a fact-finding mission to Cambodia with a stark appraisal: Non-Communist troops "have no real autonomy from the Khmer Rouge in the battlefield." They have failed to capture any significant territory, not even a small district. (The Khmer Rouge have not won much territory, either, and have fallen back on terrorism and avoiding contact with the main Phnom Penh units.)

The people have quietly rejected the non-Communist rebels' call to join the "liberation army" at base camps on the Thai border. Movement has been in the other direction. The refugees have asked authorities for permission to leave the heavily guarded camps and return to Cambodia and avoid the war. This request helped prompt a drive by the Thai government and the United Nations High Commission for Refugees to create "neutral camps" where the refugees could wait to return home without being forced to help any side.

In fact, the non-Communists are without a leader. Prince Norodom Sihanouk retired again to avoid negotiations with Phnom Penh's prime minister. Son Sann has lost authority over his troops.

Although discredited on all these fronts, these non-Communist rebels have prevented the people from taking advantage of the offer of free elections. Through the support of their powerful American and European patrons, they have rejected Phnom Penh's offer as not good enough and demand an equal share in the government before the people can go to the polls. Can anyone imagine Violeta Chamorro or Vaclav Havel rejecting Communist governments' historic offers of free elections because they wanted a top government job?

It's worse. The non-Communist rebels are demanding that Cambodia be kept under a draconian embargo, shunned and isolated until ideal conditions for their share in power are met.

The rebels rationalize their refusal to allow elections by saying that only a share in power that includes them as well as the Khmer Rouge will bring about real, lasting peace. This is blackmail.

When the five members of the United Nations Security Council meet on May 25 and 26, they owe it to the Cambodian people to offer all factions a take-it-or-leave-it proposition to hold elections and not worry whether someone's favorite prince will be in charge of the Defense Ministry.

Those elections could be held under better monitoring conditions than prevailed when the East Europeans, with the Red Army still stationed on their soil, voted out their Communist governments. It will be at least as good as in Nicaragua, where the Sandinistas held complete government control and rival armies were fighting in distant provinces, as they are in Cambodia.

If the Khmer Rouge reject the offer and the United Nations is afraid to monitor the elections, there are other international groups and personages to call on. Jimmy Carter, are you game?

The writer, a special correspondent for The Washington Post, is the author of "When the War Was Over: A History of the Cambodian Revolution."

Anti-Semitism: An Old Evil, but Why in France?

By William Pfaff

PARIS — The question about the manifestations of anti-Semitism in France is why here? One might also turn the question around and ask, if here, why anti-Semitism?

There is racism in France, certainly. The far-right National Front currently enjoys a level of electoral support of between 10 and 20 percent, depending on the region. Its successes are linked to popular anxiety about the number of immigrants in France. But those immigrants are not Jewish.

Algerians and other North Africans are the principal objects of hostility. They are often poor, conspicuously non-French, ghettoized. The Algerians fought a cruel war with France, and that is not forgotten. The Islamic religion today is popularly associated with terrorism, intolerance and reaction. People see these immigrants as rivals for jobs. All this is what gives the National Front influence.

Why the anti-Semitism, then? One might think that people who are anti-"Arab" should logically be pro-Jewish. But Jean-Marie Le Pen, leader of the National Front, has repeatedly and gratuitously introduced anti-Semitic remarks into his statements, attacking individual Jews, playing on stereotypes of Jewish media domination, making complicitous allusions to the revisionist argument about the Nazi death camps — a "detail" of wartime history, he says. He does this even though it has caused most politicians of the mainstream right to reject electoral alliances with his movement.

Less than 1 percent of the French population is Jewish. Unlike what often is thought, France is not a country with a strong anti-Semitic tradition. Anti-semitism was a late 19th century development. The Dreyfus case started in the anti-Semitism of the army's general staff but became an "affair" because it became mixed up with the larger political and social struggles of the period, between anti-republicans and republicans, anti-clericals and the church, the church and secular liberalism. France during the same period was giving refuge to a greater number of Russian and East European Jewish immigrants than any other country except the United States.

Anti-Semitism historically is associated in France with the reactionary and anti-republican right and the church, but the reactionary right is a fossil, and the church is transformed — a leftist influence, not a rightist one. The social and political attitudes which found expression in the anti-Dreyfus movement, and in proto-fascism and Pétainism during the first half of the 20th century, are finished.

Racism usually is associated with reaction against an unassimilated foreign community, which is the case with the North African immigrants in France. But the Jewish community is highly integrated, more so even than in the United States. It is not politically controversial. There is no "Jewish lobby" in French politics, nor is Israel much of an issue. Jews are prominent in France's intellectual history, and notable Jewish families, such as the Rothschilds, have for years enjoyed a respected place in French society.

The public show of outrage last week after the profanation of the Jewish cemetery in Carpentras and the mutilation of a disinterred body was great and genuine. The march of protest in Paris Monday evening was one of the largest demonstrations of recent years. The president of the republic took part, something that has not happened since the war, and Christian and Muslim dignitaries were present.

So how is the atrocity in Carpentras to be explained, and the desecration of other Jewish cemeteries which followed, and an outbreak of anti-Semitic graffiti on shops and monuments? The brutal attack on a schoolteacher in Royan who had devoted a class period to anti-racism was accompanied by accusations that she was a "filthy Jew" and a "filthy Arab."

Many other countries have not welcomed Jewish immigrants as France has. Others have more virulent histories of anti-Semitism. In others, anti-Semitism is mixed up with class conflict, national struggle (in the Middle East), anti-communism (in Poland and Hungary, where Jews were prominent in the postwar Communist regimes). In France such factors do not exist or are very minor.

There is a "polite," snobbish, anti-Semitism, more likely to be expressed openly than in the United States. There is an anti-Semitism among some well-to-do young people, which is mixed up with adolescent defiance of parental respectability. There are a few "skinheads." There is an intellectual "new right" with racialist ideas, which is of negligible influence.

None of this seems particularly more noteworthy than in other countries. Charles de Gaulle's famous characterization of the Jews as "an elite people, self-confident and domineering," was meant as ironical praise. The qualities are those he admired.

The sinister aspect of the recent events is that there should be no explanation. An effort always is made to find a rational reason for things that happen, a sociological or religious or political explanation, a psychological interpretation. The singularity of the French case is that it recalls to us the gratuitousness of anti-Semitism.

Anti-semitism has always had a gratuitous aspect. Why the persistent hatred of these particular people? There are so many people to hate; if you want to hate, why single out the Jews? Hatred exists; when it has nothing else to fix upon, it fixes on the Jews.

That has been true in Western society, at least. Carpentras provided a frightening reminder. But then it is perhaps just as well that from time to time we are made to think about evil.

International Herald Tribune.
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America Lets Down Its Friends

By A. M. Rosenthal

NEW YORK — Lithuania, China, Israel. Simply setting down the three words together stirs up trepidation — not only for the three countries and their people but for what is becoming of the American government's sense of fidelity to principle and friendship.

"Trepidation" is really too tepid a word. It implies that Americans don't know what is going on and are just putting out some polite warning signals. But we do know what is going on. In the cases of Lithuania and China, the United States government has abandoned friends and principle. In the case of Israel, it is showing a dangerous movement toward doing so.

Lithuania is a small country. Its betrayal really does not take much telling. It tried to break out of the Soviet Union, the gulag of nations, by declaring again the independence it never agreed to surrender. The Lithuanians had only one strength in the outside world: The United States was a firm backer of Lithuanian independence. For the half-century that the Lithuanian flag could not be hoisted in Lithuania, it flew over the Lithuanian legation in Washington.

Lithuanians did not ask Washington to send troops or do much except let Mikhail Gorbachev know that it backed them and would take it hard if he stood in their way with force of arms or force of economic strangulation. So much for that dream. Washington switched to the Soviet side, at first with embarrassment. Now it openly joins Mr. Gorbachev's blackmail demands that Lithuania surrender by "suspending" its independence.

The usual phony stories were put out that the military would oust Mr. Gorbachev if America opposed him on Lithuania. But it is not Soviet generals he fears. It is his disintegrating society. Lithuania free or Lithuania bound cannot save him from that.

And if Washington had stood up to Mr. Gorbachev he would not have canceled arms control agreements that are to his economic benefit. Only fools would think he would act against his country's interests out of peeve — or self-destructive foreigners looking into their mirrors.

In China, the United States not only turned its back on the cause of freedom almost immediately after the 1989 massacres but still stands looking away. After a year of receiving nothing but contempt from Beijing as repayment for American betrayal of the student movement, the administration is still fighting for the interests of the Communist government.

Barbara Walters's report from Beijing showed vividly that the Communist leadership would never again permit the Chinese people to mass in demonstration against Communist rule. *(See "Jiang: A Lovely Smile, and Eyes That Go Cold," Opinion, May 19.)* And what does the Bush administration do? It organizes pressure in Congress to continue China's tariff breaks on exports to the United States.

Congress is besieged by American and Hong Kong businessmen who want to preserve China's tariff advantages. But they also hear from Chinese freedom leaders who plead to end them, saying that the privileges help chiefly the government in Beijing. Next month, Congress must choose.

In the Middle East, the United States is behaving as if Israel, not the Arab states that have been trying to destroy her for 40 years, is the cause of all the trouble. That is absolutely true — if you agree with the Arab states that Israel never had a right to exist.

Israeli "leaders" refuse to change the corrupt election system that keeps them in office and keeps the country in political chaos. For that, they all deserve the boot by their people.

Sad enough for Israel, but fixable. But now Washington is striking at the foundation of Israel's existence by pandering to the powerful Arab-organized campaign to block the movement of Soviet Jews to Israel. From enemies of Israel, that would be understandable. But the United States, which is supposed to be Israel's friend and ally, is playing the Arab game.

So is America's new favorite ally. Moscow and Washington denounce Israel for finding apartments for Soviet Jews in East Jerusalem — not in the Muslim or Christian old quarters but in new suburbs of the city that is Israel's capital. That is questioning Israel's authority to fulfill its reason for existence — to provide a land to live in for those Jews who seek it.

Well, what does it matter that countries and people that thought we shared principles and friendship find out they were wrong? After all, America will never again need a friend or the world's trust. Isn't that right?

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Breathless Police

PARIS — The police have forbidden the use of bicycles on the Champs Elysées and several other crowded streets, but the bicycles are almost as abundant as ever in the prohibited localities. The spectacle of a breathless policeman vainly chasing a swift bicycle is a most exhilarating one.

1915: News in Brief

PARIS — General von Auffenberg, of the Austro-Hungarian army, formerly Minister of War, has been arrested three days after having been made a baron, as a result of a quarrel with Archduke Frederick.

PARIS — Captain Meynier, who appeared this week before a court-martial to answer a charge of swindling, has been condemned to five years' imprisonment and five years' banishment from Paris.

BIARRITZ — The English Club has expelled its Austrian and German members.

1940: A Nazi Spearhead

PARIS — German motorcycle units last night [May 20] were near Péronne, 60 miles from the Channel and 30 miles from Amiens. They were believed outriders of the general advance. The French held Cambrai. Laon and Saint-Quentin were claimed by the Germans. To offset this appearance of rapid advance the Allies submitted this fact: For 48 hours the Germans had marked no widespread advance in France. London did not disguise the situation and called it "grim." British and Belgian troops were withdrawing from Belgium. Wherever there was contact the British struck hard. They reported no loss of men or material. Yet the German blade pointed at Péronne was aimed to isolate them. Nazi motorcyclists were estimated 60,000 strong. As a main element they were something new, tactics consisting in spurting forward at dawn and withdrawing at night. In France there was no change in the seesawing.

هكذا من الأصل

BSB Europe **Backer Spielvogel Bates**

ADVERTISING IN THE NEW EUROPE

THINK GLOBAL · ACT LOCAL ·

When the history of this remarkable period known as the late 20th century is finally written, the main symbol of punctuation should probably be the dollar sign.

ZOE DOMINIC

Peter Ustinov

Peter Ustinov on the New Europe: "Some people, most especially the British, worry that the creation of Europe will somehow dilute their personality and project them into a melting-pot of drab uniformity. This is a form of vanity that presupposes the purity of a race which has from time immemorial been impregnated with Saxon, Danish and Norman blood, to say nothing of Roman and that of the many others who have taken root in Britain from the Middle Ages to this day. And even of the accredited races who have formed the United Kingdom from its inception, does confrontation in Parliament with Margaret Thatcher in any way affect the joyous truculence of Neil Kinnock's Welshness, and does this, in turn, spill over to colour the mournful cadences of the English Prime Minister? And does the universal use of English as a lingua franca crush the desire of the Cornish and the Manx to make realities of their own rare and exclusive tongues? Of course not..

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Riding the Crest of the Consumer Revolution

This was and is the Age of the Consumer. The primacy of purchasing power was perhaps best underscored by the hand-scrawled grafitti in West Berlin during those first euphoric days of November when the wall came tumbling down and thousands of East Germans crossed the border: "They came, they saw, they did a little shopping."

The consumer movement — that desire among everyday citizens to acquire the latest in worldly comfort and convenience at reasonable prices and with assurances of quality — can take some credit for the rise of Reaganism, Thatcherism and all their open-competition heirs, along with the drive toward the European single market of 1992 and perhaps even the sudden and stunning rejection of 40 or more years of communism in the Soviet bloc.

Freedom now means more than the political theory of representative democracy; to millions, freedom is the economic reality of being able to run a business from a home computer or order plane tickets from a corner agent.

To many in Eastern Europe, the dollar has been and remains the ultimate symbol of that freedom — the most universal money, traditionally the hardest of the so-called hard currencies. Before the political upheavals of the late 1980s, hoarding dollars — often illegally — was the only way to manage even a limited sort of financial freedom. Now the consumer revolution demands free access to the dollar and, for the first time, local currencies that are just as hard as the dollar.

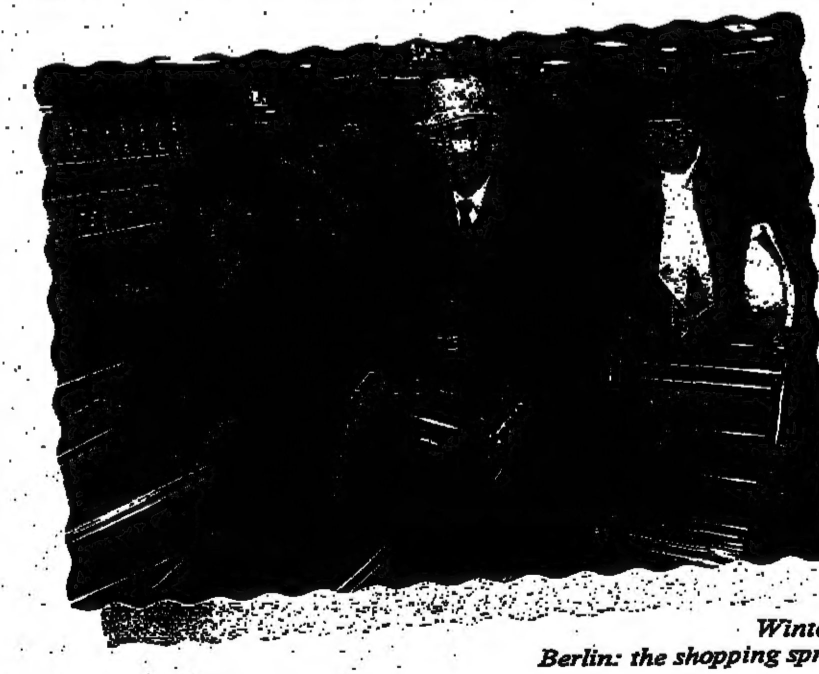
The challenge and the question for those trying to meet the demands of the consumer revolution — the producers, marketers and advertisers upon whom consumers depend — is to anticipate its modes and moods. Nowhere are the opportunities for success or the risks of failure greater than in Europe, given the prospect of 1992 in the West and the free-market democratization in the East.

It's far from clear, for example, whether there is going to be a true Euroconsumer: a typical citizen who fits a broad demographic profile and is willing to try the same toothpaste and/or watch the same television program as the mass populations of neighboring countries.

Certainly some companies are anticipating a leveling off of trends with the development of a "European" culture that is, in fact, heavily influenced by American tastes. U.S. cracker and biscuit producers, for instance, are hoping for a bonanza as their market penetration in European households begins to approach that in American households. Similarly, American family-oriented "concept" or "theme" restaurant developers foresee rapid growth as they establish branches in European countries where people traditionally eat at home but are now starting to go out more. And since European households currently consume a mere 16 pounds of paper products a year compared with the American household's nearly 45 pounds, that's another area of expected growth.

While many products are to be positioned as pan-European — sometimes with different names and images in different countries, sometimes with a single package for the whole continent — there are other goods and services that will probably always dominate in their home markets and never travel very well. Beer, bread and banks are often cited as examples of "home-grown" products that will continue to command local allegiance in spite of whatever competition comes in when the borders come down after 1992. Southern Europeans are already drinking more beer and malt whiskey, but will northern Europeans ever move toward smaller cars in bright colors with plaid upholstery on the seats?

Naturally, the rest of the world is not going to be unaffected by the changes in Europe. The many European companies that have been involved in mergers and other alliances to beef themselves up for 1992 are not stopping at the borders of the 12 European Community members; they are now global companies, and they are sure to use the muscle that comes with a base of 325 million consumers to attack the other two big consumer markets, North America and Asia. Indeed, some forward-thinking observers say that "European" companies, "European" products and "European" consumers are merely a stepping stone en route to global companies, products and consumers.


Winter in West Berlin: the shopping spree begins.

Many questions remain, however, about the prospects of a pan-European culture and whether many products and services are suited to such broad treatment or need to be handled in the appropriate marketing niche. What, for example, will be the effects of the broadcasting changes that are now sweeping across Europe?

Will the new continent-wide satellite networks assume a dominant role in promoting a common culture and common advertising?

For some, Europe will be viewed as a truly single market; for others it will always remain a mosaic.

How will relatively new techniques such as mailshots or interactive television develop in Europe?

And how will retailers adapt to new research techniques and technology such as in-store scanners that allow them to better identify their markets, attract potential customers and manage production and distribution?

The stakes are high and getting higher for those who live and die in the consumer jungle. The total amount of money spent on advertising in Europe is expected to rise from $42 billion to $63 billion over the next three years. The combination of new techniques, new markets and new outlets for advertising will sharpen the competition and perhaps keep marketing costs down, but the key skill will still be finding the right mix of message and media to give the advertiser the biggest bang for the buck.

Just as many Euro-companies have become bigger, many of the advertising agencies that serve them are growing. Some industry insiders predict a "polarization" in European advertising, with a few giant global agencies at one end and many small local or niche agencies at the other. Obviously, agencies that can combine both elements will have an advantage. Consequently, the demand among marketing and advertising specialists is going to be for that rare mix: enough size for a wide scope, while maintaining sensitivity to regional or personal nuances. The task facing the agencies, like the companies they serve, is to be big enough to serve the larger markets — whether Europe or the world — while still being able to connect with the individual consumer, whether at home or several time zones away.

Some specific trends are sure to emerge in marketing and advertising, such as the new mood of corporate responsibility and citizenship being assumed by many large companies. Hand in hand with this corporate image-polishing is the growing importance of "green" issues and the rising popularity of environmentally acceptable products. A whole new marketing mindset is developing to underscore the ways in which products help or at least don't harm the environment. Companies that cannot escape reputations as ecological abusers will suffer.

One of the dominant new trends, of course, will be a response to the "graying" of the population. One-third of the population of the EC will be age 50 or older by the year 2000, so there will undoubtedly be more emphasis — from product design to advertising campaigns — on the older consumer. The older consumer will be only partly responsible for the "nostalgia" advertisements that have already begun popping up on both sides of the Atlantic. Reprises of classically successful campaigns or individual ads will be successful not just because they remind consumers of the good old days but also because they carry the same focused, uncluttered message as the first time around.

Strategic planning will assume greater importance, particularly in promoting the benefit of the product to the increasingly sophisticated consumer. In the next phase of the consumer revolution, the byword is bound to be "simplicity," whether the message is aimed at the broader market or the niche. Producers will seek strong, straightforward images — and the sort of advertising and marketing strategies that will present those strong, straightforward images for their products and services.

Timothy Harper

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THINK GLOBAL · ACT LOCAL ·

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BSB Europe

Challenge of Advertising Agencies: Move With Market

Carl Spielvogel is chairman and CEO of Backer Spielvogel Bates Worldwide, Inc. According to a 1990 study by Advertising Age, BSB is the third largest global advertising agency, with 140 offices in 46 countries and estimated annual billings of more than $5 billion. Mr. Spielvogel, who began his career writing an advertising column for The New York Times, was vice chairman of the Interpublic Group before founding his own agency, Backer & Spielvogel, in 1979. The firm grew dramatically in the early 1980s, winning such significant accounts as the Miller Brewing Company. Backer & Spielvogel was bought by Saatchi & Saatchi PLC in 1986 and merged with Ted Bates Worldwide the next year. Mr. Spielvogel was interviewed in his office in New York's Chrysler Building.

How does an advertising agency work on a continent as diverse as Europe, which has more than two dozen countries and close to 50 languages?

Carl Spielvogel: Our company's motto is "Think Global, Act Local," which means we look for basic consumer commonalities and opportunities. I think cultures are coming closer together. We're starting to see some common trends — affluence, people trying to express themselves in terms of the acquisition of higher-priced goods.

But by "acting local," we also recognize that there are many relevant differences not only in culture but in stage of development. The role of BSBW is to help with the orderly management of change. Our goal is to be fully represented by nationals in every major country in the Common Market so that we can better adapt local strategies for our multinational clients to the particular market.

Our objective is to offer total marketing and communications services in every market we serve. I make the distinction between marketing communications and advertising because that's the way the world is going.

It's no longer sufficient to advertise a product — the markets are too complex and the competition is too intense. What one must do to compete effectively is to surround each product with total communications and nurture it as you would any asset on your balance sheet. The best analogy is to compare brand assets to children. They must be constantly nurtured.

When I am asked what business BSBW is in, I reply: We are in the business of helping our clients sell their products and services at a profit, using all of the tools of marketing communications. One of the tools we use is advertising.

> "It's no longer sufficient to advertise a product. You must nurture it as you would any asset on your balance sheet."

Could you give an example of how you cope with Europe's diversity?

One example is the strategy that has been pursued successfully for years for Pedigree Pal, the largest-selling dog food that's marketed around the world by Mars. The global strategy is: "Top dog breeders recommend Pedigree Pal." But rather than run one breeder in all those ads exclusively, we go into each local country, find the outstanding local breeders, and also find the breed of dog that is most compatible with the particular country and consumer.

Do you encourage local offices to come up with ideas that can be used for all of Europe?

We try to start at the local level and come up with ideas that are pervasive for the culture and market. Certain ideas don't travel well, but sometimes local ideas do have "legs." For example, the whole area of ethnic marketing. As ethnic groups are becoming more affluent, they have become more attractive to consumer manufacturers. One must reach them differently than others.

Europe cannot be approached as a monolith, but neither can local markets. They must be analyzed for individual characteristics.

Is there a difference in the way you approach the U.S. and Western Europe?

No, in each instance we study the consumer, analyze the competition and then develop a strategy. Once the strategy is approved by the client, we develop appropriate marketing communications tactics.

Could your work include helping companies to lobby against unfair trade sanctions or barriers?

Yes. One of the reasons we are holding our next worldwide meeting in Brussels is to make sure that we spend a couple of days talking about the kind of trade requirements that are successful in the Common Market, so that we can discuss this with our clients. I think there are a lot of myths that need to be cleared up. When 1992 dawns, there isn't going to be a magic wand that says, you are now one market.

It's been suggested that Eastern countries such as Hungary, which haven't been under Communist rule for several generations, will be easier for advertisers than the Soviet Union.

There is no question that the Eastern bloc will represent an opportunity for consumer products companies, but certain markets will come onstream faster than others. I think there is a good analogy with Japan and China. There was a time when people thought China would come onstream as a consumer products market with as much rapidity as Japan did. Of course, the facts speak for themselves.

I think it's clear that markets like Hungary and Czechoslovakia will be the most attractive for consumer marketers in the short term. We have had discussions going on in the Soviet Union regarding joint ventures for ourselves, but this is a torturous process, with no payoff in sight. They do not have the consumer products to sell in their own market, let alone for export. The manufacturing process is obscured by the bureaucracy at this point. Our own position will be to seek out joint ventures that will make sense for our clients, long-term.

Joint ventures with whom?

Joint ventures with a local advertising agency or government agencies. The conversations we've had in the Soviet Union have been with government bureaus looking toward joint ventures. We have one venture going with an arm of the Soviet Union in which we are training some of their young cinematographers in the art of making television commercials. They, in return, are providing barter opportunities for us. I don't see sinking large sums of money into any Eastern bloc countries. We will be guided by our clients' needs. We will take the lead from our clients.

Does this barter opportunity that you mentioned involve a particular client?

Yes. It's been discussed in broad principle, but we haven't disclosed who the client is.

So at this point you've sent people to Moscow, but you haven't opened an office there?

As a matter of fact, last July I was there for extended discussions, and the Russians have been here visiting with me on three separate occasions, but we have still not received a written proposal. We carry on our relations in Russia on behalf of our clients from our Helsinki office.

I presume that when you operate in less sophisticated markets, you use less sophisticated techniques?

We are guided in every instance by the maturity of the market. Usually the first medium that is used is outdoor advertising — billboards and store posters, among others. The Soviets do show commercials in Russia, but they are very unsophisticated from a technical standpoint.

So whoever is watching Europe as a whole for your company will have to be thinking on two tracks — East and West.

Two or more.

Northern and Southern Europe and the East?

Yes. For example, one operates in a market like Spain, which up until three years ago was not a sophisticated consumer market. Now, Spain is one of the boom markets in Europe and the world. Italy is another market that is coming on very, very strongly. On the other hand, the U.K. for years has been a mature advertising market that closely parallels the U.S. in terms of technique. The Benelux countries have been very advertising-receptive for years. By contrast, the conventional wisdom in France up until a few years ago was that if you had to advertise a product, it probably wasn't a very good product. Today, that's no longer the case.

Japanese products seem to sell themselves because of their well-known quality and low prices. What role has advertising played in this success?

I've been in business long enough to remember when you picked up a toy and underneath it said, "Made in Japan," you put it down and bought something else, because the quality was so poor. One of the first Japanese companies in the U.S. that really started to make a difference was Sony. They did it first with the distinctive design of their product. Secondly, the advertising was really breakthrough advertising. They did "Sony — No Baloney," and "Tummy Television." But the basic point was that they made the quality of the product right, and then they made the design superb. Sony's early success in the U.S. helped to turn the image of Japanese products around.

Japanese advertising companies traditionally haven't been too active abroad. Do you believe they will make a bigger effort in the years to come?

It's been a mystery as to why they have not been major competitors in the advertising business. It's been suggested that because advertising is so dependent on language and nuance, they haven't been comfortable in branching out. But I think it's just a matter of time. I think Europe will be one of those markets in which they will make their presence felt shortly.

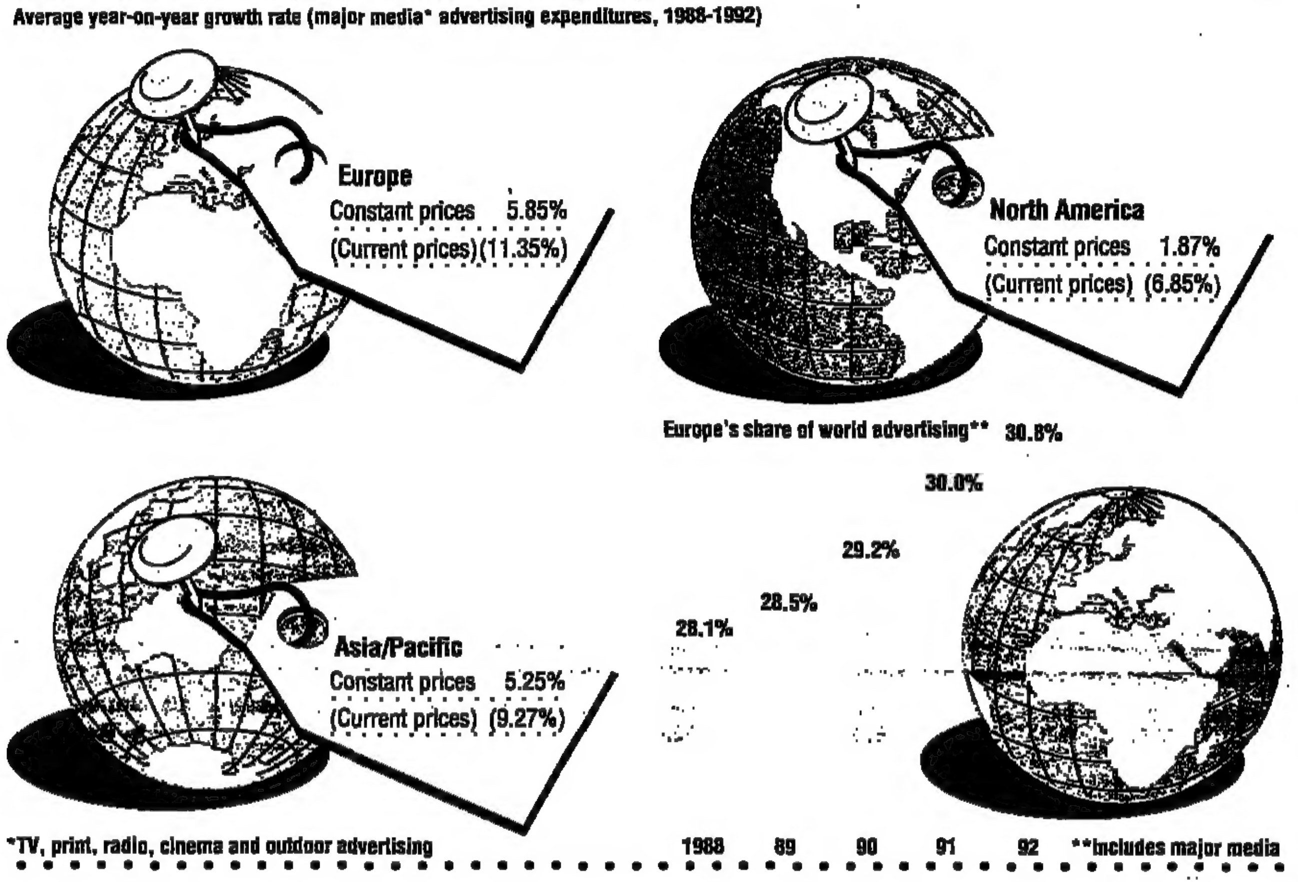
Interview by Steve Dryden

TRACKING THE AD DOLLAR

World advertising expenditures are expected to rise from $230 billion in 1988 to $314 billion in 1992, with the European industry growing the fastest.

SOURCE: BSB

Average year-on-year growth rate (major media* advertising expenditures, 1988-1992)



*TV, print, radio, cinema and outdoor advertising

**Includes major media

Into the breach: BSB Chairman and CEO Carl Spielvogel, left, and Michael Bungey, chairman of BSB Europe, at the Berlin Wall.

Advertising moves into nontraditional forms.

Presence Marketing Builds Brand Assets

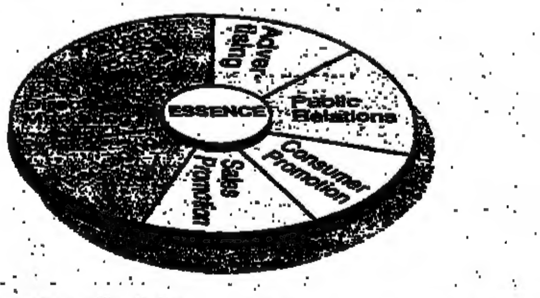
An integrated market is one thing, but integrated communications is the real concern for marketing in the new Europe. The challenge in reaching the consumer of the '90s is to approach him in a less traditional, more integrated manner.

If companies are to profit from the EC's single internal market without running roughshod over national and regional differences, they will need to promote their message in new ways, say industry specialists.

"The trend is clear: nontraditional forms of communication (in-store promotions, direct marketing, targeted and new media, sponsorship, etc.) are on the rise; they now represent 69 percent of all advertising/promotion allocations," says Tim Corrigan, Paris-based executive vice president of BSB.

This topic is of such interest within the marketing community that it was the theme of the recent American Association of Advertising Agencies yearly conference. In an effort to reposition the entire advertising agency business in order to revitalize and rebuild close relationships with clients, the association president, John O'Toole, called on the agency world to begin what he called "The New Advertising." He defines it as the complete, seamless integration of media advertising with sales promotion, packaging, public relations, direct marketing and sponsorships. Mr. O'Toole says, "We think that advertising will — indeed, must — be redefined to comprise all marketing communications directed to the consumer of the product or service."

BSB's Mr. Corrigan agrees, but believes that "the real challenge to marketers is to communicate a brand in an integrated, consistent way. At BSB, we have developed a system called 'Presence Marketing' that uses a brand's essence as the basis for providing consistency to all of the brand's communication elements." The objective is to create a consistent "total use experience" of the brand for the consumer, a total presence.



"Because consumer decisions are based on both an emotional perception of the values represented by a brand as well as a more rational analysis of its attributes," continues Mr. Corrigan, "it is essential that we manage every point of contact between the brand and consumer, throughout the entire purchase cycle — from promise, through purchase, to performance."

BSB Europe, which counts among its clients such major brands as Fisher-Price Toys, Kit-e-Kat and M&M's, has developed its own market survey and analysis techniques, which enable it to identify both the objective qualities and emotional values associated with a brand, and then come up with a pithy "brand essence."

"Presence Marketing involves building up the value of brand assets strategically through the integrated management of overall brand communications," states Mr. Corrigan. "At a time when technological innovations are multiplying the available channels of communication and accelerating the fragmentation of target audiences, this approach offers a valuable marketing tool."

The British-based ICI (Imperial Chemical Industries) provides a case in point. The company has established a European unit in Brussels known as ICI Europa Ltd. and aims at a consistent international communications strategy based on quality of life fostered by individual achievement and tempered by respect for the environment.

Sponsorship is a less direct but equally effective option.

Promoting a corporate image, however, is a complex process. Faced with the hyperbole and saturation of some media, more and more companies take the view that, to get their message across, they need to complement traditional advertising campaigns with less direct but more persuasive forms of corporate self-projection such as sponsorship.

Philips in the Netherlands, for example, uses sponsorship as a means to stress the company's status as a global corporation, a feature not always fully recognized by its customers, executives consider. It is therefore taking part in France's Disneyworld project, which is aimed at a European catchment area, and also hopes to see its name written across the Olympic rings in 1992.

For Mr. Corrigan, the advent of Europe's single internal market is going to be a catalyst for innovation: "To reach the consumer of the '90s, marketers are going to have to think beyond traditional communications areas."

Michael Rowe

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Selling Advertising To Eastern Europe

Since advertising is superfluous wherever choice and currency are in short supply, the first step in developing an advertising industry anywhere in Eastern Europe is to make sure that goods are available, affordable and distinguishable from each other.

A study conducted in January by A.C. Nielsen shows the changing face of the East European markets for consumer goods. The East Germans surveyed were able to name an average of 188 varieties of chocolate and other candies produced in the West; West Germans, on the other hand, could identify only 145 of their own country's sweets. Some 98 percent of the East Germans polled could distinguish between Coca-Cola and Pepsi-Cola.

This consumer savvy — despite images of the first days of the post-Wall era, in which delirious East Germans were wildly spending up to DM7 (US$4.15) for a kilo of bananas — is evidence of the growing maturity of many East European countries, whose source of information — advertising in Western media — is increasingly being augmented by local commercial carriers.

A year ago, the Hungarians' indiscriminate shopping orgies made them the backbone of the Viennese economy and the easiest of preys to every cheap schilling artist. Today, reports Joseph Pucher, the owner of an appliance store in Graz in southern Austria, "they have turned into very careful shoppers. They come in and compare prices and quality. Buying, if at all, comes later."

The source of this newfound selectiveness is three-fold. There is much greater access to Western goods, many of them imported by East European citizens making use of their newly won freedom, and more being supplied under new joint-venture marketing agreements. Secondly, the level of information, though not particularly sophisticated, is much higher as floods of new and newly commercialized magazines — one of the most evident products of a hard-won freedom of expression — and radio stations and TV broadcasters ceaselessly extol the virtues of local and Western products.

The third reason is simple and dramatic. The wrenching process of conversion from centrally planned Communist economies to market-oriented ones has not equipped East European consumers with the buying power to take full advantage of the goods being offered in the various media.

The result has been a series of "skewed" markets. Each has its own peculiar problem; each has been witness to the founding and expanding of dozens of new carriers.

As for the Soviet Union, plagued by shortages of everything from soap on up, the Moscow News (the weekly voice of glasnost) has begun carrying ads for trading companies and Nutra-Sweet-sponsored sports events. And the country is taking ambitious steps to bolster the entertainment sector: Time Warner and V/O Sovexportfilm have announced plans to build ultramodern cinema and entertainment complexes in Leningrad and Moscow in a joint-venture arrangement.

But there is a lot of work to be done before advertising can truly facilitate the circulation of goods in the Soviet Union. BSB Europe recently set up a program with Goskino, the vertically integrated Soviet film and TV producer, to share its expertise in making TV commercials with them. Says Rob Gibralter, BSB Europe executive responsible for the project, "I realized that the basic problem we had was our widely divergent ideas as to what a brand is."

In neighboring Poland, BSB is preparing a report for the Polish ministries of finance, trade, and communications on the role and growth potential of advertising in Poland. Though the Polish are struggling to survive the radical economic measures — including the convertibility of the zloty — imposed by their new government, they now have access to more news and information than ever before. Many households can receive CNN and a whole range of other Western cable broadcasters. Local newspapers and new weekly TV guides keep the Poles informed as to what to stay tuned to.

In Hungary, the listlessness of the recently concluded parliamentary election stands in stark contrast to the feverish interest the Hungarians are showing in the local-language version of *Autobild*, West Germany's car tabloid, and in MTV, broadcast in Budapest as part of a marketing arrangement.

In East Germany, whose economy is to be joined to West Germany's on July 1, it is not at all clear whether its TV stations will survive at all. DDR 1 and DDR 2 have started broadcasting some 30 minutes of commercials every day, with no spots for alcoholic beverages or for products deemed environmentally undesirable before 7:20 p.m. Some 500 would-be marketing experts, each planning to become the vanguard of the advertising industry in the East, recently attended a marketing seminar in Leipzig whose motto was: "Karl Marx never even dreamt of this program."

That there is now advertising in Eastern Europe is readily apparent in the streets of any of its cities, which are often decorated with posters and billboards, or from the jingles on the radio or the fliers clogging mail boxes. In that sense, advertising is fulfilling its classic function of facilitating the sale of goods and services.

Ad agencies are sprouting up as well, some recently formed, others having transformed themselves from state organs into private-sector agencies, with many of the West's top agencies also present in some form. And it is precisely in the advertising/media sector that the above-mentioned skewing most affects East European economies.

Western ad agencies come offering product-driven marketing expertise and find that before they can sell Western-type products they have to set up distribution systems and infrastructure — a job for which they have neither the necessary resources nor the compelling financial motivation.

Eastern agencies, on the other hand, have a wide range of clients, often Western companies seeking local partners or vice versa, but cannot generate enough revenue from such clients to secure any kind of long-term future for themselves, given the superior skills and connections generally offered by Western agencies.

Though a few East-West advertising joint ventures have been set up recently to help solve this dilemma, it will still be a while before full-fledged ad agencies can operate in the East as easily as they do in the West.

Terry Swartzberg

In Moscow, fast food has served as an icebreaker for Western business.

Silvio Berlusconi

"We want a Europe in which companies are not hamstrung."

The European Communication Challenge

The Italian media magnate Silvio Berlusconi has played an instrumental role in fashioning the new European media landscape. Here he explores the pros and cons of public vs. private media ownership, and the transformations currently taking place in the marketplace.

For some time, a process has been under way in Western Europe: news, and more generally, communication, is gradually breaking away from the state, and, via the market, becoming part of the wealth of society as a whole.

As a *prime example of this phenomenon, monopolies* are being terminated, and mixed systems, in which the public and private sectors coexist, are being set up in all the European countries.

The transformations taking place in the countries of Eastern Europe have confirmed this process.

There is no doubt, as is frankly admitted by the prime instigators of this trend, that the market is a fundamental element that cannot be replaced by anything else. It is a basic element of democracy that cannot be eliminated, and freedom of information, enlivened by the market, nourishes democracy.

Of course, at the same time, there are those who defend to the death the monopoly nonmarket structures of the cultural industry as a whole; structures which guarantee tight political control over the entire news and communication field.

Currently, in Italy too, we are witnessing an upswing of a monopolistic anti- or pre-industrial culture, which is about to be translated into legislative regulation of the radio and television industry that will penalize private enterprise.

What is most striking in all of this is the underlying provincialism of this attitude, which, in order to maintain *the political division of public service news*, overlooks the economic aspects of the problem and its true implications even at the cultural and civic level. News is now a world market, comparable in size with other areas of production.

The trend toward concentration in this area has been under way for some time. In 1988-89, the value of European mergers and acquisitions was about 3 billion pounds. In comparison, the 1987 value of television/cinema transactions in the U.S. alone was almost 7 billion pounds.

Booz-Allen Hamilton's most recent estimates indicate that in the past few months, at the world level, this type of deal, including the Time-Warner and Sony-Columbia transactions, represented a total value of about 18 billion pounds.

This is the context in which European companies tend to concentrate among themselves before being grouped by others. In fact, Europe is not only one of the players in the world audiovisual competition, but is also the setting where the match takes place. It is obvious that if the standards of each European country tend to penalize large companies, it will be difficult for Europe to remain a player in the match and not just its theater.

In this sense, even the new East European market risks being colonized by concentrations from outside Europe, if Old World companies are not large enough to make the considerable initial investments required.

It is important to remember that aid to the new East European markets will translate into aid for the young East democracies themselves.

European multimedia and multinational groups can participate in this exciting phase of European history in a fundamental and unique way. They have both the element of cooperation and economic exchange, and that of news and general communication, and are a solid bridge in East-West relations.

Just recently, the European Commissioner for Culture, Jean Dodelinger, again underlined the importance of facilitating European audiovisual production in order to preserve the continent's cultural heritage.

Companies can do this, but they must be guaranteed the necessary conditions.

We want a Europe without protectionist policies, not only internally, but also with respect to the big political-economic groups.

We want a Europe in which companies in each country are not hamstrung. Indeed, these obligations could lead to corresponding advantages for large non-European companies that have greater ease of action.

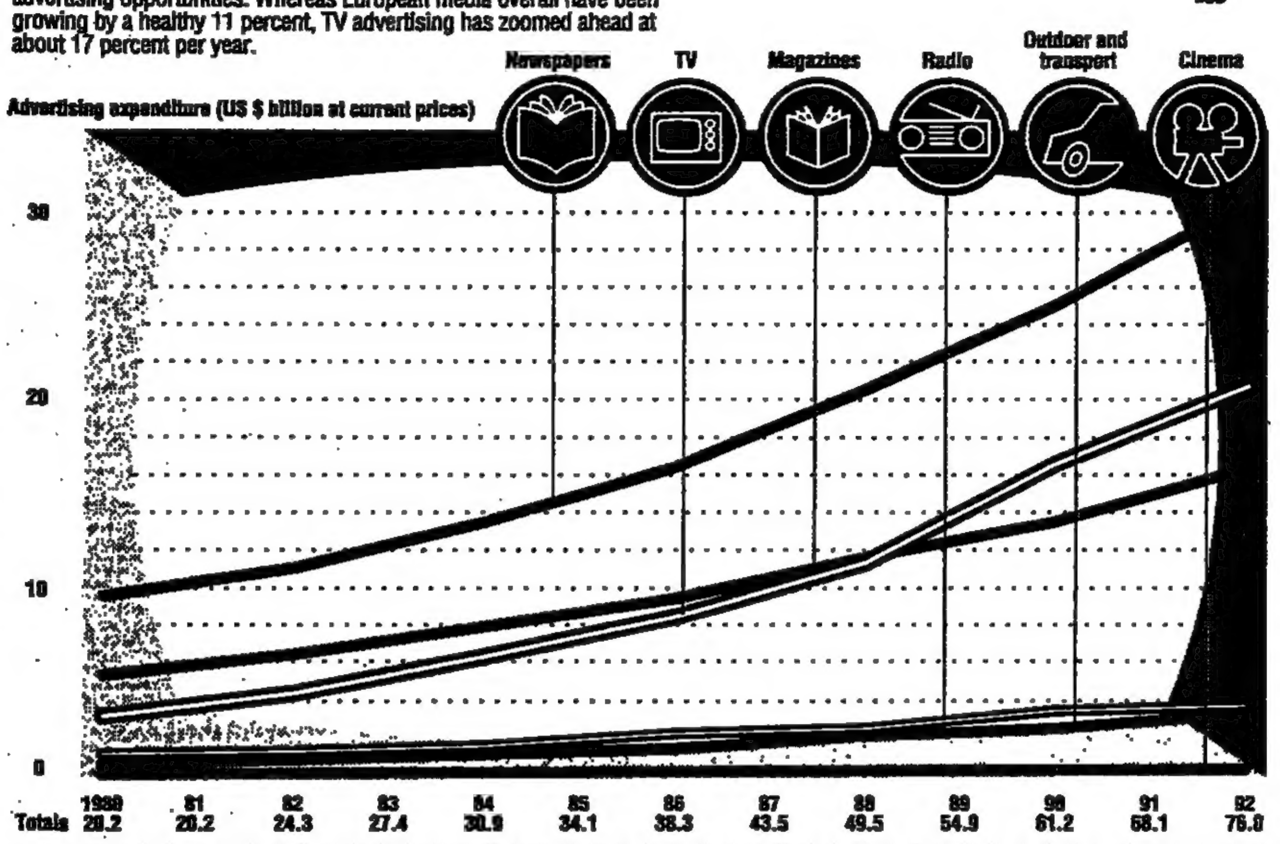
Finally, with respect to the liberation and opening up of the countries of Eastern Europe, European companies must be given the possibility of being on the same starting line — in terms of size and opportunities — as other international competitors. Otherwise, here too, they risk being squashed by the U.S. and Japan.

Silvio Berlusconi
President of Fininvest

MEDIA SHIFTS

The deregulation of Europe's television industry has opened up new advertising opportunities. Whereas European media overall have been growing by a healthy 11 percent, TV advertising has zoomed ahead at about 17 percent per year.

SOURCE: BSB



Direct Mail Tops All Media Markets

Lord Leverhulme contended that half his advertising was wasted, but he didn't know which half. Finding the answer to that question has become both the challenge and the weapon of today's direct marketer.

The increasing sophistication and application of computers has been a boon to the direct marketing industry, which is building up valuable data bases for disillusioned advertisers.

It is the direct mail share of the advertising cake — already estimated at 10.7 percent — that is growing apace. In Britain alone, recent figures compiled by the Saatchi & Saatchi Group show that spending went up last year by a massive 43 percent over 1988, while total ad expenditures were up by only 13 percent.

Meanwhile, Britain's Advertising Association released figures last September demonstrating that the £530 million (US$324 million) direct mail market was outperforming all other media markets, with a growth rate almost four times that of television.

In the United States, tobacco manufacturer RJ Reynolds, a data base pioneer with over 40 million names, can now tailor-make the premiums that it mails out to individuals, allowing free gifts that take into account people's hobbies, for example.

One reason why data bases have become so popular is the significant drop in price. In 1973, one U.S. magazine estimates, it cost $7.14 to store and access a single name, whereas today it costs less than a penny.

This is not to say that the exercise is cheap, by any means. Reaching a special kind of buyer by direct mail can cost about $130 per thousand names, whereas it costs a mere $7 per thousand to reach buyers at random through a newspaper insert.

"Your best customer is the one you already have," goes the old advertising adage. Kobs & Draft, the direct marketing arm of the BSB ad agency, is only too keenly aware of this factor. In the United States, one of K&D's biggest clients is the Home Box Office pay TV channel. When its subscriptions reached saturation point, K&D offered it the opportunity to make more money by extending the subscription life of its customer base.

David Florence, K&D's director of European operations and senior vice president, explains: "We can reduce the likelihood of a subscription not being renewed by keeping Home Box Office front of mind, constantly reminding and motivating the existing consumer. It's a lot of money to Home Box Office."

Further, Mr. Florence points out that direct marketing is not confined to the post box. When The Prudential Insurance Company visited K&D, the last thing it expected to be talking about was recruitment. But K&D identified personnel recruitment as a major problem. The cost of acquiring a salesman had been going up, while the average number of years spent in the company was going down. In other words, The Prudential was wasting much of its advertising for new personnel, and the people it already had were staying a shorter length of time.

Says Mr. Florence: "They had used Sunday newspapers for recruitment before, and we suggested that they try TV. So we did a series of commercials, pinpointing the sort of people they were looking for and using financial network channels and news channels. The commercials weren't fancy — but recruitment costs were cut in half and recruitment of the right people went up." He adds: "We'll do anything from image building to promotions."

K&D's direct marketing activities are not restricted to the United States. Though it entered Europe comparatively recently (three years ago in Spain), it now has 14 offices in 12 countries, including France, Germany, Belgium, Finland, Norway and Sweden.

Direct marketing is a booming business.

K&D decided to go international at what turned out to be a good time because, following its sale to the Ted Bates Advertising agency in 1986, it was able to realize its expansion with BSB.

The ad industry and advertiser alike are beginning to award direct marketing a degree of respect — even awe. It is no longer the poor relation of what's generally referred to as "classic advertising."

Says Mr. Florence: "There is no mystery about why direct marketing is growing faster than classic advertising. It's so logical, it makes so much sense and it's not hypothetical. Through strong data base discipline, you can prove that, if you've sold something to a consumer once, he's more receptive to hearing from you in the future. You can focus your dollars in a more effective way. For instance, statistics are available that tell you when people are about to buy a new car. What we practice is relationship management."

And a well-managed relationship can only help create — or maintain — fidelity.

Gail Amber

BSB Europe

Ad Dollars in the '90s: New Trends

Financial services and leisure products may be among the more high-profile advertising categories expected to grow in the single European market of the 1990s, but we can also expect to see more spending on advertising in such areas as language schools, high-speed train travel and even in the public service sector.

Public service? "We don't have any more wars, so you have to fight for something," theorizes the CEO of a Paris-based ad agency, "so we will see more campaigns in Europe based on issues ranging from better employment and AIDS prevention to improved traffic circulation."

Language training, other executives suggest, will be an "enormous" direction for advertising. "If you don't speak a number of languages, you're going to be sunk in the Common Market," predicts the creative director of an American agency in Europe. Language schools and educational aids such as audio cassettes, he maintains, will be advertised increasingly to European business people as trade crosses borders.

While airline advertising is expected to increase — the fight for share of market will get very intense — so will that related to travel in high-speed trains, as France's TGV (Très Grande Vitesse) network expands to other countries.

Whatever the means, most agree that European consumers are going to be traveling more, perhaps even more likely on vacation than on business. This is part of a larger trend toward increased leisure activities, due to shorter work days and longer vacations. Advertisers, as a result, are already beefing up their efforts to get a share of that extra time. In Germany alone, advertising in the leisure/sport category in 1989 was up 11.2 percent over 1988, according to a recent study by BSB Europe.

This trend toward more free time will mean that we'll be seeing more advertising in categories ranging from travel and tourism to in-home entertainment such as video tapes and equipment.

Europe's increasingly mature population will become more of an advertising target as well. "That's an area agencies should be looking at; people in the food and travel businesses are already looking very carefully at it," says the managing director of a Paris-based agency.

An area of tourism that is newer to Europe and that is likely to be heavily advertised is theme and amusement parks. In the forefront is EuroDisneyland, scheduled to open in the spring of 1992 in Marne-la-Vallée, 32 kilometers outside of Paris. It has already begun advertising to lure investors, and, though the company will not divulge its projected ad budgets, this is only the beginning.

In addition, Anheuser-Busch is reportedly completing plans for a park near Barcelona, and MCA is looking at sites in Europe.

Travel and leisure advertising may predominate, but a more competitive marketplace may induce an increase in job-related types of advertising. Those who get top jobs will work harder than ever before and will want to keep in constant touch with their business, so don't be surprised if mobile telephones and personal computers are more heavily advertised.

Another emerging category in advertising is OTC — or over-the-counter medicines. As government regulations change around Europe, drugs that have traditionally been sold through doctors' prescriptions will be marketed and advertised like other consumer products. (Sudafed is an example of such a product in the U.S.) According to an ad executive with ties to Procter & Gamble, this helps explain why the big packaged goods companies like P&G and Johnson & Johnson are buying into pharmaceutical companies. As different drugs go over-the-counter, the packaged goods giants will have the communications expertise to market them to consumers.

Advertising for a whole range of financial services will be way up in Europe in the 1990s, say industry experts. These services include banks, insurance companies, unit trusts, share-related products and borrowing and saving products.

"It's increasing because the sector itself is increasing," explains Eric Salama, associate director of the Henley Center, a London marketing research and consultancy group. "More people are owning shares, more people are inheriting money. There are more people with responsibility for pension arrangements, and people are using more credit cards. Organically, the sector is growing very quickly."

According to BSB Europe, financial advertising in Germany in 1989 showed a 16 percent rise over the previous year.

Growing expansion by mergers and acquisitions and setting up operations in other countries is another reason for the increase in financial services advertising — a trend faced by many different businesses, of which retail is a major example.

With Germany taken again as the representative country, BSB Europe reports that ad spending in the retail category in 1989 showed a 15.6 percent increase over the previous year, but other countries are seeing similar growth in the retail sector.

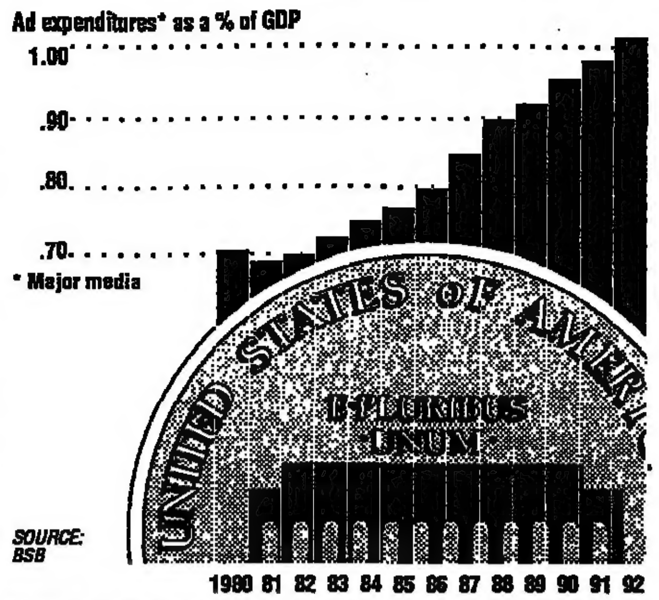
The U.K.'s Marks & Spencer chain, for example, currently has 10 stores in France and Belgium and plans to expand next year within those countries as well as into Spain and Holland. Every country has its contenders — Ikea in Sweden, Carrefour in France, Ahold in the Netherlands, for example. As Europe's single market takes shape in the 1990s, all will face the double-edged sword of having to protect their businesses on the homefront from outside competition, all the while expanding them in other countries. Advertising will be neccessary for both.

Mr. Salama of the Henley Center echoes this prediction for all expanding businesses, from cars to food. "When you've got companies like BSN or Cadbury Schweppes that are expanding into other countries, together with the increase in competition from Japan and the U.S. and from within Europe — all of those things mean you're going to spend more through advertising to increase your share in other countries and to maintain your share domestically," he says. "Companies have to spend in order to survive."

Debbie Seaman

THE ADVERTISING PENNY

For every dollar's worth of goods produced in Europe, a penny is spent to advertise them. The European ad industry still has room to grow: its U.S. counterpart spends proportionally two-and-a half times as much on advertising.

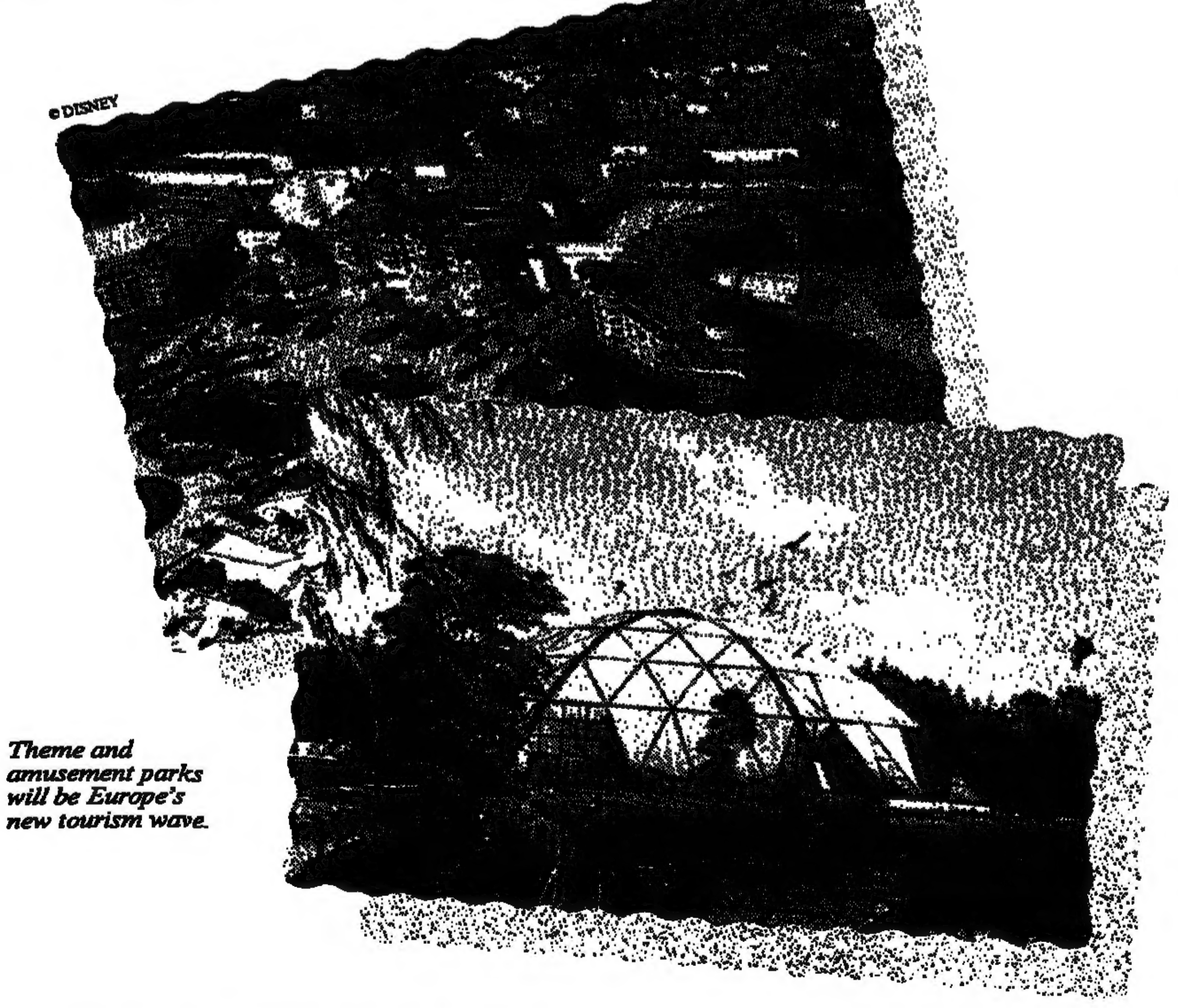


SOURCE: BSB

Financial advertising in Germany in 1989

rose by 16 percent while leisure/sport

advertising rose by 11.2 percent.



Theme and amusement parks will be Europe's new tourism wave.

Consumer Finance: Looking Abroad

With the possible exception of false rumors, money moves around the world quicker than any other commodity. Yet consumer finance has been slow to profit from the progressive dissolution of Europe's internal barriers. Even today transborder marketing of loans and investments for private customers remains a fringe activity. And financial institutions are only just beginning their search for a global corporate identity.

"Financial services aimed at the general public have long been a much more protected activity than most other business sectors," says Philippe Neart, co-dean of INSEAD (Institut Européen d'Administration des Affaires) at Fontainebleau near Paris. "As a result, until recently few banks had any real idea of which activities generated profits and which did not. And most insurance companies have been very product-oriented, carrying out little if any research into consumer needs and preferences."

At last the picture is beginning to change. A flood of European directives devised to sweep the EC nations into a single financial territory is forcing institutions to rethink their consumer marketing and advertising strategies, all the while adding impetus to a rising wave of mergers, acquisitions and strategic alliances. The EC authorities are moving ahead on several different but connected fronts. First and most significantly, transborder capital movements are being totally liberated.

Secondly, a directive allowing banks to operate throughout the EC on the basis of the license granted in their home country will come into effect at the end of 1992, but will be subject to limitations imposed by the host country on the grounds of local public interest. In addition, the EC authorities have approved a measure designed to ensure mutual recognition of securities listing procedures on member states' exchanges. This should facilitate transborder marketing of bonds and equities. Moreover, since October 1, 1989, mutual funds institutions established in any member state can market their products throughout the community.

"Dutch funds managers are being particularly active in canvasing outside their home country, while Luxembourg-based funds are also proving very tempting because of favorable tax treatment by that country's authorities," comments one commission official. Liberalization of insurance services — probably the most hidebound of all the financial sectors — is proceeding more slowly. Directives on life insurance and motor insurance are under consideration, while a draft on non-life coverage may appear shortly.

Institutions are reacting in different ways to the marketing and organizational challenges put forth by these developments. Germany's Deutsche Bank is following a grand strategy based on widespread acquisitions in order to convert itself into a pan-European outfit in all its spheres of activity. Smaller institutions — especially those from smaller countries — are looking for niche markets that can be exploited more profitably at the community level than in their more restricted local markets. Denmark's Privatbanken provides one salient example.

As German unification approaches, banks in the Federal Republic are making particular efforts to peddle their wares in East Germany. Dresdner Bank, for instance, is setting up some 130 branches there. "To short-circuit the problems and delays involved in acquiring East German property, the bank is bringing in fleets of mobile prefabricated offices for use as temporary branch premises," says Günther Gahren of advertising agents Scholz & Friends in Hamburg. "The cost of this exercise is likely to be in the region of DM2.5 million (US$1.5 million)," he adds.

Some of Europe's specialized financial institutions — savings banks, for instance — have traditionally been restricted to their home markets and are only now beginning to think about marketing outside their national territories. One of the world's largest savings and loan organizations — the U.K.-based Halifax Building Society — has made a modest first step across the English Channel by distributing an information bulletin to expatriate savers and borrowers. It also offers a number of investment facilities in the fiscally friendly Channel Islands and is considering ways of selling in mainland Europe.

The society's advertising campaigns are managed by the BSB Dorland agency in London. "Television, which takes the single biggest slice of the budget, is used to get across the general brand image," explains BSB Dorland director Peter Hartley. "This relies heavily on the size, celebrity and longevity of Halifax, which was founded in the mid-19th century. The general message is supplemented by more specific product advertisements in newspapers and magazines."

The French bankers' association recently commissioned a report on retail banking advertising in eight European countries. Only three major themes emerged from over 300 advertisements: 1) Your bank is at hand to help you; 2) Our expertise is at your disposal; 3) We can help you succeed.

Moreover, according to the researchers, most banks have established a clear message and corporate image in their domestic advertisements but few have kept this when they advertised elsewhere.

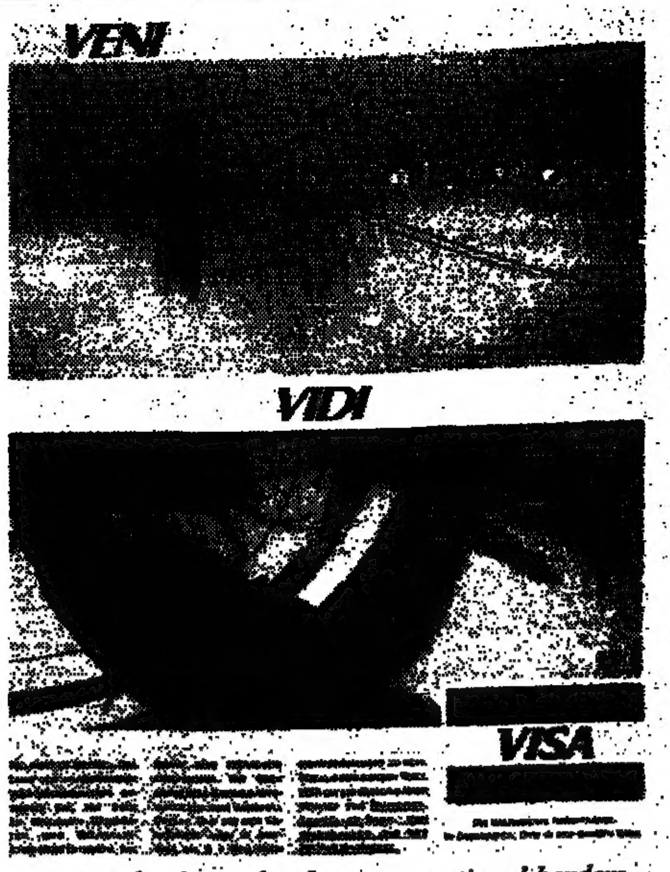
Global advertising can help promote a consistent image of such service products, but it can present drawbacks. Says John E. Stuart, senior vice president with American Express Europe in London: "A global approach may become bureaucratic and inflexible and reduce campaigns to the lowest common denominator. Marketing may be increasingly a transnational activity, but selling is still distinctly national."

"It will be a long time yet before we can consider Europe as a single market for financial services, especially in the retail sector," comments David Brice, senior executive for European business strategy with National Westminster Bank in London. "We may one day want to set up a European processing center for operations such as card payments, and we may sometimes export product concepts, but both the final products and their marketing will still have to be tailored to the different national requirements."

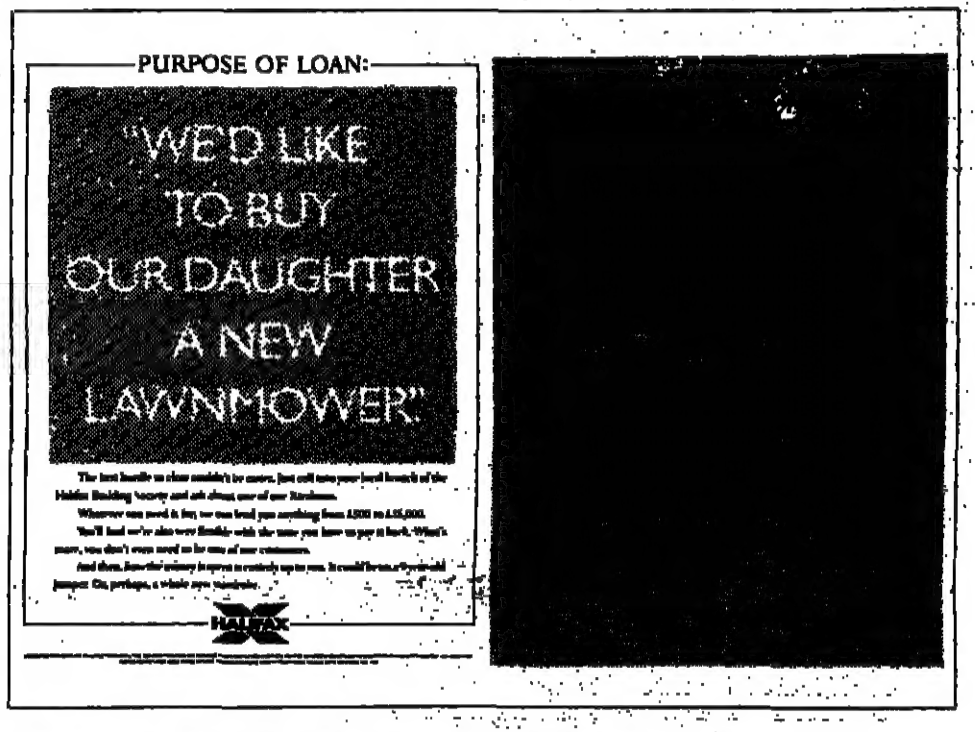
National Westminster advertises and sells to each national market from its local branch network in the country concerned. In Spain, for example, it now owns an 85 percent interest in Banco National Westminster March — the last part of the name is about to be dropped — an outfit that boasts some 180 branches. "Advertisements are commissioned and prepared locally, though London headquarters vets them before release," Mr. Brice explains.

In a business whose customers have always relied on a solid local presence and extensive branch facilities, transborder mail order and other remote selling techniques have yet to take a significant hold. There are, nonetheless, some exceptions: American Express provides one of the more obvious examples. Another is the Rotterdam-based Robeco group, which, with assets of some $2.3 billion, provides securities investment and savings plans for wealthy private clients across Western Europe. Robeco competes with banks and other local institutions through a mixture of direct mailing, business recommendation, public relations exercises and advertising campaigns.

Michael Rowe



As capital is being freed to cross national borders, the competition heats up.



PURPOSE OF LOAN:

"WE'D LIKE TO BUY OUR DAUGHTER A NEW LAWNMOWER"

The Halifax Building Society is moving into mainland Europe.

هكذا من الأصل

BSB Europe

Global or Local? Metaphors Count

New regulations and developments in communications technology are mapping the future of European advertising and giving advertisers the means to follow global strategies. But when are global marketing strategies appropriate?

The London-based Henley Centre suggests that "perhaps the European Community will labor to bring down all the physical and technical barriers to trade only to reveal that the real barriers were always cultural, psychological and insuperable." The center's latest study — "Euro-strategies into the 1990s" — argues that "nothing in any of the social changes our times have engendered suggests that consumers will grow into some kind of lumpen Euromass. They will want to use their buying power to become even more conspicuously themselves, even more satisfyingly different."

Global marketing has appeal, the study argues, but it implies a loss of intimacy with the customer. Nonetheless, the study defends the ability of brand advertising to win international appeal: "The idea of 'global advertising' as the ability to use one piece of film around the world seems simplistic and naive. The notion of one personality or metaphor interpreted in ways that suit the national market and culture seems perfectly possible, and it is the search for archetypes, symbols and metaphors that should form the basis of any cross-cultural advertising projects."

European marketing is plagued by its own problems of poor data, different demographic and social characteristics, education, spending power, traditions, aspirations and ideals. But it is certainly easier to devise a successful pan-European or global campaign for a new product or service than for an existing one which already has a strong set of emotive characteristics. The comparison can be made with any good, from computers to soup.

Tim Corrigan, executive vice president for BSB in Paris, stresses that global advertising can be very effective in certain key sectors, in particular the car industry, financial services, cosmetics, consumer electronics, food and entertainment. The multinationals have also proved the success of pan-European advertising for staples such as washing powder.

For different reasons, each of these industries has to think globally. In the electronics sector, for example, a national market, however large, would not be able to support high-technology developments and the huge cost of research and development.

Coca-Cola is an obvious example of a truly global brand. Other international successes are less egalitarian: Perrier transformed itself from yet another unremarkable French mineral water to the favorite yuppie tipple and succeeded in making abstinence glamorous. Thriving pan-European brands include Benetton (which is aiming for the global market), Johnnie Walker, BMW and Mercedes.

Two other distinct markets can be added to the list. One is the luxury goods market, in which products by Cartier, Rolex and others are sold worldwide on the strength of the same elitist metaphor. The other is what can loosely be termed the "teen" market. Teenagers, contrary to popular belief, are shrewd consumers. Their limited spending power is channeled into a relatively narrow range of products and services and is heavily influenced by pop music, street fashion and, through these, the use of (American) English.

If a producer's financial motivation is strong enough, if the cultural differences he faces are at least manageable, and especially if his brand's metaphor or essence is well thought out, then global advertising may indeed be the most appropriate strategy.

Lucy Walker

"Yo cuido muchísimo su alimentación, y para mi lo mejor es Pedigree Pal y Mixer"
PAL
La mejor comida para su perro.
¡Pruébelo!

"Det ideelle kjøttet for hunder i toppform. Ikke rart at ledende oppdrettere stoler på PAL."
PAL

The Pedigree Pal campaign has proved highly effective with its use of local dog breeders.

Neil Kennedy, executive vice president of BSB Europe, which recently won the advertising account for Safeway, the U.K. supermarket chain.

Retailers Jumping Into Eurorace

Retailing has been almost entirely a domestic affair until recently. Now supermarket groups and other retailers are looking for ways to break out of their home markets and join the Eurorace alongside their suppliers.

The 1992 single market deadline has not been the only factor in the consolidation of food retailing. "Manufacturers started to adopt a Europe-wide strategy long before 1992 was thought of," says Peter Howitt, corporate development director of Argyll, owners of the U.K. Safeway supermarket chain.

"For a long time, retailers have been parochial and nationalistic; only recently have they started to mirror the activities of producers," he adds. The single market merely accelerated the trend. "It is a bit like rush hour. Everyone rushes just because it is rush hour."

In one move, Argyll and two other European supermarket groups, Royal Ahold of the Netherlands and Groupe Casino of France, have joined forces to make sense of their combined knowledge, experience and resources in the grocery trade. The three agreed last November to a shareholding swap of almost 4 percent of their capital and to enshrine their partnership in a joint-venture company, to be called Europe Retail Alliance (ERA).

The aim is to cooperate wherever possible in a number of areas, such as production, information technology, distribution, logistics, marketing and buying. "The cross-shareholdings are not financially significant, but they indicate our commitment in the immediate term," Mr. Howitt says.

Any speculation about a merger will remain just that for the moment. "We are getting to know each other — whether it leads to an engagement is another question," he says.

ERA has since produced a second-tier network for marketing and buying. ERA holds a 60 percent stake in Associated Marketing Services (AMS), and six other groups hold the remainder: Dansk of Denmark, ICA of Sweden, Kesko of Finland, Migros-Genossenschafts-Bund of Switzerland, Mercadona of Spain and La Rinascente of Italy.

Together they form a powerful bloc. In 1988-1989, the nine chalked up global sales of £27 billion ($44 billion), with food accounting for around 70 percent of the total. Between them, they have a total of 11,000 supermarkets and hypermarkets selling food. The six European Community-based groups hold about 6 percent of the EC grocery retail market.

The arrangement covers food, wines and spirits and household goods, but excludes do-it-yourself (d-i-y) and clothing. "The idea is to work with suppliers and manufacturers on branded and own-label goods as well as services to improve the efficiency of the supply chain for the benefit of us all," Mr. Howitt says. "We are still at the exploratory stage, but we are convinced there are many opportunities for cooperation."

In information technology, for example, retail groups have many problems in common. "We could look at the possibilities of standardizing systems and equipment," he says. Alternatively, there may be opportunities to share trucking from a common supplier to rationalize distribution and warehousing or to standardize pack sizes to cut production costs.

The idea is not to harmonize consumer tastes by decree, however. "We have no intention of standardizing products where there is a genuine consumer need for differences," he explains. These differences are "often the result of random historical developments and serve no purpose for anyone, least of all the consumer.

"I believe we have more in common as consumers than differences. We want to look at what there is in common, and do it more efficiently." For example, the British or Dutch public might well snap up a French deli product it had never had access to before. For fresh foods, a combined effort could pay off for commodities imported from third countries, such as oranges and bananas, but would not do so for highly perishable home-grown or home-produced items.

Talks are in progress with supermarket groups in other European countries that are not represented, including West Germany. Achieving full Europe-wide coverage is not the goal, however. The idea is rather "an association of like minds," according to Mr. Howitt.

ERA is not alone in reaching across European borders, but it is distinguished from others by the fact that it is not a buying group. "Manufacturers often tell us they are relieved that we are not getting together to use our combined buying muscle," he says. Negotiations could lead to an overrider or discount of 1 percent on normal prices, but apart from that, each chain will be free to buy on its own terms.

Indeed, many chains have opted for alternative solutions. Some have taken the mergers and acquisitions route — some amicably and some not — and others have formed buying groups. French purchasing agency Socadip, which supplies the Euromarché chain, and several counterparts from neighboring countries set up European Marketing Distribution last summer. They have since been joined by French groups Paridoc and Di-Fra, as well as Belgium's GB Inno through holding company Sodei. Di-Fra is expected to bring Delhaiz, Belgium's second largest distributor, into the consortium shortly.

On the d-i-y side, Belgium's GIB Group is widening its presence in Europe. It began expanding 10 years ago, when it formed a 25-75 percent joint venture with the U.K. supermarket group Sainsbury's to set up the 57-outlet Homebase chain. In France, GIB is associated with Castorama on a 50-50 basis, pulling together the large Castorama d-i-y stores and the smaller DBI outlets.

In Spain, GIB trades under the Aki banner with the March group and will open its first store in Portugal this year, also under the Aki name, but with a different partner, a GIB official says. GIB also has 91 Brico GB outlets in its home market, half of them under franchise. It has no immediate plans to move into other European countries but is always open to new ideas, the official says. "We are almost the only d-i-y retailing firm in Europe with an international operation," he adds.

"These agreements will probably form the basis of wider European concentrations," says Philippe Bastien, an analyst with the Paris-based brokerage DLP James Capel. "No doubt the European distribution concept will become common currency within the next five years."

Barbara Casassus

Winner of the 1990 International Creative Award (Retail Advertising Conference, Chicago).

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New Regulations: The Fear of a Domino Effect

Advertisers are poised to take up the gauntlet of 1992. But will the frontier-free European market really make life any easier for them? For many years, agencies and clients have successfully adapted their tactics to the patchwork of local tastes and regulations, but the severity of the recently drafted EC directive on tobacco has many advertising professionals up in arms.

Agencies and advertisers are fighting to protect their existing industry agreements and self-regulation from the sweep of bureaucracy and creeping regulation. The stakes are high. Advertisers are expected to spend almost $55 billion in the EC this year.

Advertising agencies and their clients, however, face a minefield of national restrictions on what and how they can and cannot advertise, ranging from an all-out ban on television and radio commercials in Sweden to a ban on tampons in Ireland. The most commonly restricted areas are cigarettes and tobacco, alcoholic drinks, medicines, toys and "sanpro" products. Television advertisements for cigarettes are banned in 17 West European countries and restricted in Spain and Portugal. Similarly, national laws ban or restrict television advertising for beers, wines and spirits in all EC member states except Belgium, Luxembourg, the Netherlands and Greece.

Norway and Sweden remain the most heavily regulated markets. Television advertising was introduced in Norway last year to finance a second channel, and Sweden is currently debating whether or not to open up the two existing channels to advertising or launch a new commercial station. Sweden is probably unique in being the only country to levy a tax on print advertising in order to support a handful of minority papers (for certain religious, political and regional groups) that cannot carry or would be unable to survive from their own advertising.

In both countries, the ombudsman wields enormous power over the advertisers and can effectively stop a campaign in its tracks if it is found to bend the ground rules in sensitive areas, in particular alcohol, medicines and the way women are depicted.

Alastair Tempest, director general of the European Advertising Tripartite (EAT), which groups advertisers, publishers and advertising agencies in Europe, believes the landscape is changing: "Advertising controls have traditionally been much less stringent in the South than in the North, but this is changing: Spain and Portugal have major new advertising laws that are very strict," he says.

In countries like Belgium, clumsy drafting underlies a situation in which tobacco companies in particular run campaigns for matches and lighters, respecting the letter of the law banning cigarette advertisements while destroying the spirit behind it.

A draft of a controversial EC directive on tobacco advertising aims to close such loopholes, but, according to Mr. Tempest, the EC's Executive Commission has gone too far. Moreover, the commission now faces having to amend the draft (already unpopular with advertisers, agencies and the media) in order to incorporate demands from the European Parliament for an all-out ban on tobacco advertising and sponsorship. A separate proposal on regulating sponsorship is due to be presented later this year. The European industrialists and employers confederation, UNICE, has condemned parts of the proposal, which bans the use of logos and trademarks "normally associated" with cigarettes, since it could cripple advertising in the luxury goods market by names like Dunhill, Cartier and Mercedes.

The stakes are high. Advertisers are expected to spend almost $55 billion in the EC this year, but agencies and clients face a minefield of restrictions.

EAT says the directive, which would restrict poster ads for cigarettes to an annotated packshot, is "anti-competitive, unwarranted and unjustified," and has threatened action in the EC Court of Justice if the directive is adopted. A ban, of course, would be even more unacceptable to EAT.

John Ritchie, chairman of the EAT Domino committee, says, "These restrictions would be a blow to the legitimate freedom of commercial speech in Europe. If it is legal to sell a product, then it should be legal to advertise it. [The Commission's] decision strongly suggests that the European Parliament is dominated by people who have minimal sympathy for the competitive role of advertising in the economy."

The European Association of Advertising Agencies (EAAA) warns that the directive heralds a "grave danger that bureaucratic interference in marketing will lead to bans being enacted step by step, product by product, from one medium to the next, through 'creeping legislation'." Advertisers and their agencies fear a "domino effect" if a ban on tobacco advertising sets a precedent for a clampdown in other areas like pharmaceuticals, alcoholic drinks and toys.

To date, only Ireland has tried to use advertising restrictions to ban imports of foreign media — namely British magazines, which account for the vast majority of sales in the republic. The magazine distributors Easom took their protest to the EC Court of Justice, forcing the Irish government to withdraw the media import ban. The right to freedom of expression enshrined in Article 10 of the European Convention on Human Rights protects advertisers and publishers from restrictions on almost all material except pornography and matters relating to national security.

The advertising industry wants the EC to extend to advertising its guiding principle of "mutual recognition," which states that no EC country should prevent the sale of goods legally marketed in another member state.

For television, new rules adopted last October in the directive on cross-border broadcasting — dubbed "television without frontiers" — forbid any EC country from banning programs, including cable and satellite broadcasts, that meet certain minimum levels of decency and programming standards. The directive, which must be incorporated into national law by October 1991, bans the advertising of all tobacco products, brand names and logos, and states that alcohol advertisements may not claim to improve the drinker's physical performance, driving skills or "social or sexual success."

Advertising time will be limited to 15 percent of daily programming or 20 percent of any one hour. News bulletins under 30 minutes may not be interrupted, and feature films may include only two breaks in their first 90 minutes. Local stations will not be affected as the rules apply only to cross-border broadcasts, and already Italy has said that some of its smaller stations will give advertising a larger slice of programming time.

It is impossible to say exactly how much a fragmented market will cost the industry. Consumers have already benefited from the 1986 EC directive outlawing misleading advertising. Nonetheless, it appears that advertisers are prepared to adapt to the patchwork of legal regulations, all the while lobbying against those deemed excessive.

Lucy Walker

Peter Ustinov on the New Europe

Continued from Page I

It could be argued that Big Brother America has had more influence on Europe than Europeans have had on each other. Already British Trade Union officials and others interviewed on television have been heard to talk about "this moment in time"; and to utilize other linguistic excrescences from the Watergate trial, probably the most lasting damage to result from it. The French have drug-stores, which, being French, in no wise resemble their trans-Atlantic inspiration. As for the Russians and their espousal of McDonalds, I warrant it will be McDonalds and not the Russians who will never be the same again once the marriage has taken root.

The truth of the matter is that it takes more than an act of union to affect the spontaneous habits of minorities. Even within the United States, the similarities between the inhabitants of North Dakota and of Texas, of Arizona and New Hampshire are only discernible during the singing of the National Anthem. The creation of a cohesive and effective Europe will only serve to emphasize its ingredients, not for a moment to suppress them.

I remember my first day in the army. All of us recruits arrived wearing our own clothes. These were substituted by uniforms. Far from making us all similar, we had to find outlets for our personalities other than the clothes we had been wearing. And we soon did just that. The same will happen with the nations of Europe. Only during the singing of Beethoven's Hymn to Joy will there seem to be any similarity between us. The richness of Europe will be that we are more ourselves than ever before."

Peter Ustinov

W. ROZBROJ/EXPLORER

MARIO BROSSA

Fear — or hopes — that Europe is heading toward homogeneity may be exaggerated.

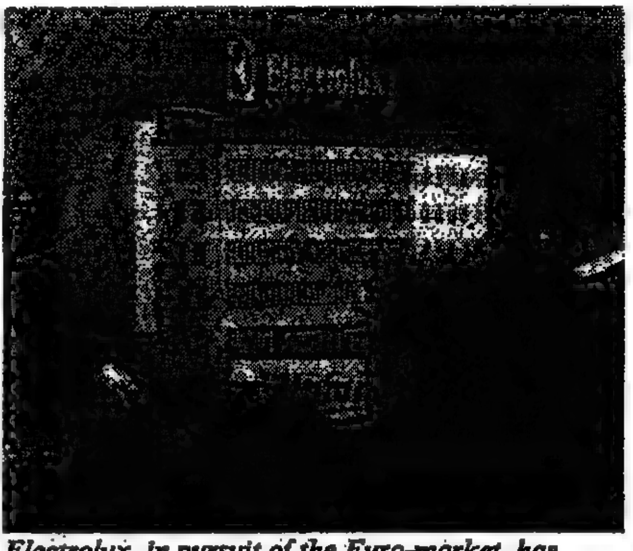
Pan-European, Yes, But Who Decides?

The program to create the single internal market in 1992 has given birth to a new statistical fantasy: the "Euro-consumer." But is it true that one can sell to the consumers in 12 different countries in the same way?

Many marketing experts think you can. As a result, a significant number of multinational companies in Europe are reorganizing their marketing structures — as well as their sales, research development and commercial operations — to meet the challenge of the single internal market, creating centralized coordinating groups that run pan-European campaigns.

Companies such as Electrolux AB, the Swedish appliance maker, Procter & Gamble Co., the consumer-products giant, and Japan's Nissan Motors have all decided to make the extensive changes in strategy that the creation of such groups requires.

The decision to centralize European marketing depends on the kind of product being sold. Not every brand can be an international brand, yet standardized European products are expected to become increasingly important. According to a survey conducted at a Harvard Business School executive seminar last year, some 60 percent of the executives interviewed thought that demand for standard products would increase.



VICTOR/LENNON BRITT

Electrolux, in pursuit of the Euro-market, has restructured its operations.

Sweden's Electrolux decided as long ago as 1988 to adopt the pan-European strategy. The Stockholm-based white goods manufacturer then started its European marketing group in Italy.

"The group's purpose is to coordinate product launches, advertising and market analysis," says Sergio Pusca, vice president for major appliances at the European marketing group. "Although we still have marketing companies working for us on a local basis, we are trying more and more to make our products international."

Mr. Pusca doesn't think that marketing on the continental scale means making all marketing the same. "In Europe, as in the rest of the world, there are many more types of consumers than there were 10 years ago," he says, "but these consumers can be divided into relatively homogenous segments, and these segments are common for different countries."

As an example, he cites buyers of microwave ovens, who tend to be the same types of people looking for the same convenience everywhere. Prestige products such as the microwave can be marketed similarly in Germany and Italy, because they are aiming at the same upscale consumers. But the marketing of a microwave would differ from that of a more mundane product such as a range or cooker.

Not every company is prepared to make this kind of total commitment to pan-European marketing. Procter & Gamble, for example, employs a mixed strategy of centralized and national marketing. "P&G has been a leader in approaching Europe as a single market for years," claims a company spokesman. "Our Ariel laundry detergent is sold in nearly all European countries."

P&G plans a Europe-wide marketing strategy and then varies its advertising from one country to another. "We continue to have brand management groups for our European products in each country, but their actions are coordinated on a European basis," the spokesman continues. "One result of this is the frequency with which our Ariel brand groups meet together to communicate." P&G feels that the centralized planning enriches its different operations in each country.

Cars are another good example of how to position on a pan-European or global basis, all the while taking into account differing national tastes and requirements. Says Michael Bungey, chairman of BSB Europe, "In most cases, cars in Germany are sold on engineering, cars in France on comfort, in Italy on speed and so on. So you'd be crazy if you said we'll just do one campaign and hope that it will work. However, the positioning of the product can be the same everywhere. If you were positioning the Austin Rover 800 as a superior luxury car, you can do that. You just come at it from a different point of view, taking note of the culture of that particular country."

Perhaps the strongest Euro-marketing strategy comes from companies based outside the European Community. Nissan Motor Co., the Japanese car manufacturer, recently set up a European office in Amsterdam that is responsible for sales, service and marketing operations across the continent. Nissan says that the idea is to identify customers' needs and react more quickly to them, all the while projecting a more European image for itself. But the company adds that it sees the European strategy as part of its global one to appear more like a local company in each market, in order better to meet the customers' needs.

Whatever the balance chosen between local, pan-European and global marketing, analysts think that every company operating in Europe will have to face this question as 1992 approaches. And each will organize operations based on how it weighs its responsibility to product categories against its responsibility to individual countries.

Andy Rosenbaum

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The Impact of European Integration on Advertising Agencies

Though Europe does not speak with one voice — and probably never will, even after 1992 — considerable progress has been made toward making pan-European marketing possible. A view from the boardroom.

You never forget your first Mini.
The new 30th anniversary Special Edition.

The challenge in advertising: creating an unforgettable campaign.

"Gone are the days when they said you couldn't market to all the countries in the same way," says Michael Bungey, chairman of BSB Europe. "The contention that there are too many differences is not true anymore. Brands that cross countries need to adopt transnational thinking, though they may still need to communicate on a local basis. While propositions may be European, the executions are likely to vary — because advertising is a conceptual tool," he maintains. "If advertising loses its edge by being bland, brands will suffer."

According to Mr. Bungey, most advertising people have had a "national focus," and any agency that doesn't wish to get left behind must concentrate on a tough program of "on-the-job" training. At BSB, this seems to consist, first and foremost, of persuading people to "think transnationally" and to gain as much experience as possible in countries other than their own.

He gives an example from the London agency that epitomizes the dramatic and amazingly fast changes: "Only two years ago, a trip to Paris was almost a holiday, now it's an everyday occurrence — a third of the agency travels across to the Continent all the time."

Although, as chairman of BSB Europe, Mr. Bungey is based in London and is an Englishman, he is not reticent when it comes to singling out the U.K. for criticism. "There's been a lot more transnational business in Europe for a lot longer — particularly in countries such as Belgium and Holland — so we in the U.K. are going through a rapid catching-up process."

It is to Mr. Bungey's credit that he recognizes the many liabilities of the current situation. He even acknowledges that, in general, agencies are lagging behind major clients in preparing for 1992. Most changes in thinking and operational structure have been client-led, and advertisers appear to have many more linguists in their employ than the agencies. London agencies in particular have done little about language barriers. Says Mr. Bungey: "Only 20 years ago, our main trading partner was the Commonwealth." He makes no apologies, however, for BSB Europe being client-led. Rather, he regards this as a distinct advantage. Unlike many other multinational networks, BSB, as a European network, is only two years old. "We're not tainted with any past view of how to operate," he explains. "Managers have been chosen with transnational advertising in mind. We have no inherent rules worked into our fabric. We have no formula at all, so we are very flexible."

This means that BSB Europe can arrive at any operational and creative mix to suit the client. An account could be run from one central point, but that center could be in France, Germany or Britain, depending on where the client's headquarters are located. The actual advertising, meanwhile, would be created partly centrally and partly locally. BSB Europe has a theory that no agency should be "removed from the evolutionary process" because none of the top talent would want to work somewhere that had become just a "post box."

This amount of flexibility, though, must be disciplined. In BSB Europe's book, "any agency network that doesn't *own* its agencies and have control is going to lose." Naturally enough, this attitude is reflected in BSB Europe. The parent company has majority equity in each of the constituent agencies, yet the whole group is so new that attaching the BSB name tag to every one of them was not completed until the beginning of this year.

Mr. Bungey sees advertising in general being centralized, with European clients leading this process. But he adds: "Some clients do choose national agencies. That means there's no control. I find it inconceivable that clients who market across Europe might in the future operate on an export basis."

Further, Mr. Bungey sees the role of the agency broadening into a much larger consultative basis across a whole spectrum of communication areas, with account handlers turning into business communications directors.

Sales promotion, direct marketing, event marketing, sponsorship, trade marketing — all will be considered as media by advertising agencies, placing enormous new demands on media strategists.

Inevitably, Mr. Bungey sees BSB Europe as best poised to incorporate any changes deemed advisable, and he views the group as being among the "new Europeans," as opposed to the other U.S.-based multinationals that long ago established traditional ways of working.

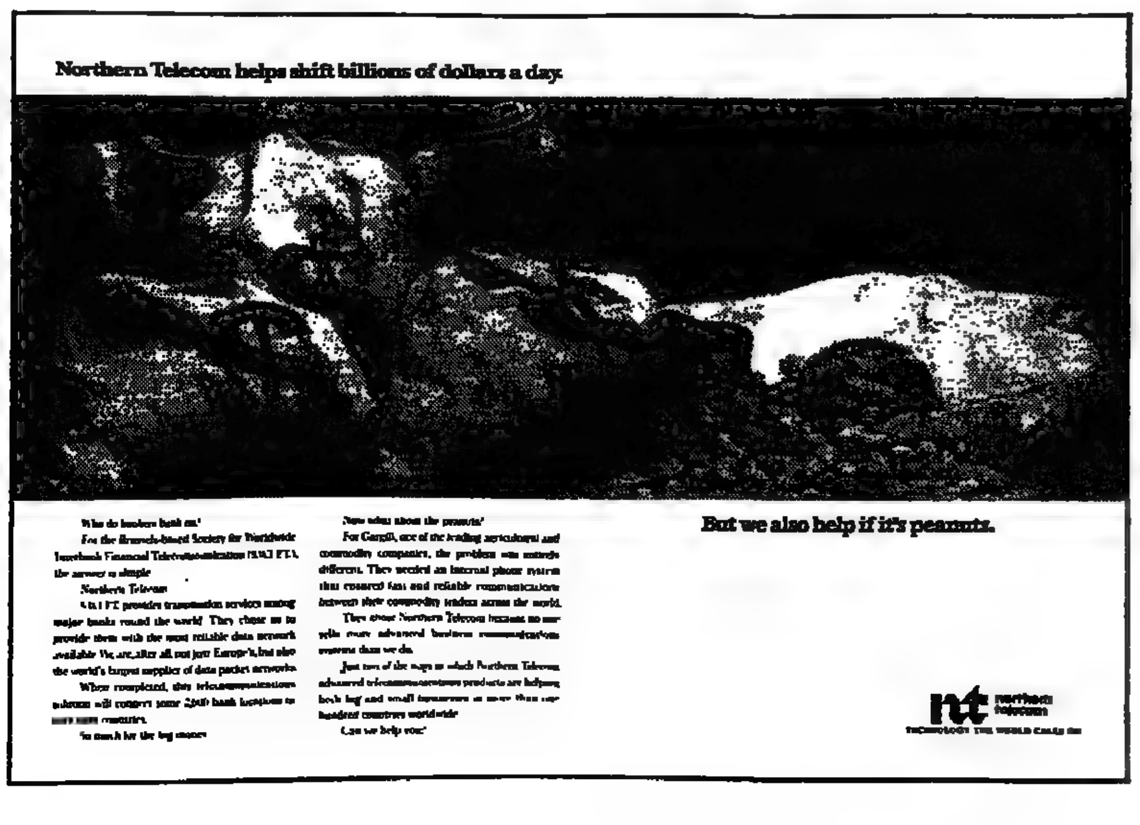
> Sales promotion, direct marketing, event
> marketing, sponsorship, trade marketing —
> all will be considered as media by
> advertising agencies.

As advertising campaigns are designed to cross more national boundaries, they must often rely on more universal messages.

According to Mr. Bungey, the ball is firmly in the advertiser's court today. "You can't make rules," he says. "Every client is different. However the client wants to operate, we will match it. We will ask ourselves what it is our clients want and supply it. We'll never say: this is what *we* want to do."

Gail Amber

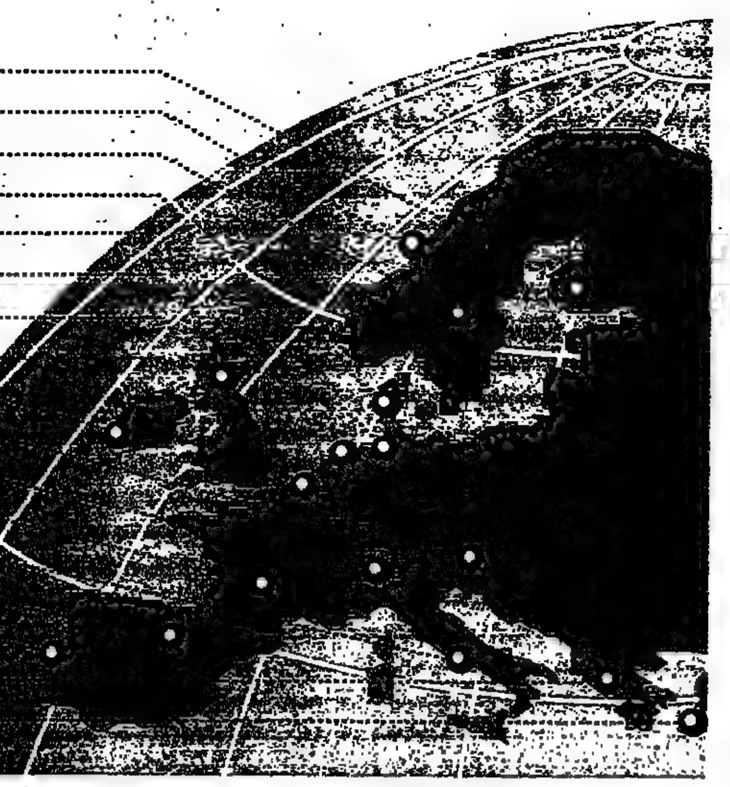
Northern Telecom helps shift billions of dollars a day.



A SWING TO THE MEDITERRANEAN

Advertising expenditures in Southern Europe are growing faster than those in the North.
Average annual growth, 1988-92 (Percentage)

	Constant prices	(Current prices)
Finland	-3.35	(9.90)
Norway	-3.50	(4.07)
Sweden	5.52	(12.05)
Denmark	-3.30	(5.00)
West Germany	3.60	(6.22)
Netherlands	1.75	(3.70)
United Kingdom	1.70	(7.90)
Belgium	8.42	(11.97)
Ireland	6.25	(10.80)
Austria	7.12	(10.22)
Switzerland	4.07	(6.77)
France	6.90	(7.87)
Italy	5.00	(11.62)
Spain	22.22	(29.10)
Portugal	9.46	(19.62)
Greece	15.57	(29.17)
Turkey	9.82	(46.10)



SOURCE: BSB

Toward a Two-Tier Europe? Not so Fast

One advertising campaign for Scandinavia, another for the Mediterranean? The idea of a two-tier Europe, split between an industrialized, high-powered North and an agrarian, old-fashioned South, finds both supporters and detractors.

Giampaolo Fabris, CEO of GPF, a Milan-based, pan-European strategic consulting firm, asserts that the South is no longer an area of archaic attitudes and hidebound behavior. "According to a sociocultural map that we have prepared for all of Europe," says Mr. Fabris, "countries like France, Spain, Italy and Greece all rate much higher on the modernization axis than countries like Sweden, Great Britain and Germany."

Stanley Bendelac, CEO of BSB Spain, agrees that "this story of geographic division is outdated."

Andreas Winkler of Nuremberg-based GFK, the world's fifth-largest market research company, went so far as to say, "Actually, Spain and Portugal, southeastern France and northern Italy are now the most dynamic areas in Europe in terms of behavior and consumption. In fact, foreigners visiting Germany now get the impression of a stable society with saturated consumers."

Mr. Winkler adds that creativity and innovation are missing in Germany. There is even a form of internal competition between Germans and second generation Southern European guest workers. "The more open-minded and flexible workers come from the south, and the Germans are intimidated by them," he says.

Yet there can be little doubt, despite the trends, that a gap remains between north and south. Anna Bartolini, president of the Italian Consumers Protection Union, points out that the European Testing Group, based in London, does a separate battery of tests for Southern Europe.

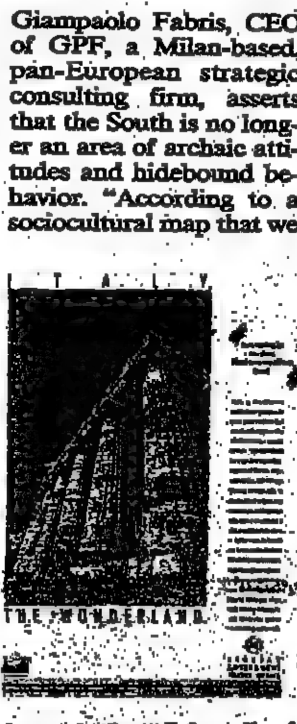
"While other European consumers spend 16 or 17 percent of their disposable income on food," she says, "Italians and Spaniards spend between 22 and 24 percent. And the food that they eat — the so-called Mediterranean diet — is theoretically cheaper. Though Italians spend over $6 billion a year on cosmetics, there is an entire area of antiaging and skin-care cosmetics that hasn't been touched in Italy. And then there are high-consumption areas: Italy has a population of 60 million, and last year the Italians purchased two million new automobiles. There is an indiscriminate consumption of automobiles that is certainly *not* a sign of development. Then there is an entire area of consumption — videorecorders, microwave ovens, stereo equipment — in which Italy, and much of the rest of the South, is far behind the rest of Europe."

The changes that are taking place, according to Giampaolo Fabris, may not simply involve slavish imitation of the industrial north. "Countries like Sweden, Great Britain, and Germany," he says, "which invented big industry and modernity, are no longer in touch with the development of modernity. Countries like Italy and Spain, which reached modernity late, happen to have national characteristics that jibe with the development of modernity. Some of those qualities are fast response times, eclecticism and creativity. There was a time when a manager had to be sober and logical, had to have both feet on the ground; now a manager has to be clear-minded, of course, but he must also be creative. Southern companies — and consumers — can be likened to a sailboat, which moves quickly and follows the wind; unlike an older model, which we might call the steamship model — you simply set the course and steamed straight ahead. And the result, in terms of consumer behavior, is a greater curiosity and rapidity in grasping truly new products."

Giuseppe Minoia of Eurisko, a social and marketing research firm, says, "The area of greatest diversity between marketing in Northern and Southern Europe is unquestionably in food. The South actually has a far more modern diet, low in cholesterol, fresh and healthful. But Southern Europe is far from homogeneous. There is an abyss between Greece and northern Italy, and even southern Italy has experienced a television revolution that neither Spain and Portugal nor Greece have glimpsed."

Giorgio Lodi, CEO of BSB Italy, agrees that Europe will hardly be one homogeneous economic entity: "People shouldn't have chips on their shoulders about being Southerners. There is a real difference. I refer to the quality of being southern as Latinity — it consists of a direct style, whereas in Central and Northern Europe, people tend to mediate their true feelings. Certainly, as Europe unifies, there will tend to be a homogenization, with Central European culture prevailing, but that homogenization will be theoretical."

Antony Shugaar



I T A L I A
EL PAIS DE LAS MARAVILLAS.

Multilingual, yes, but Europe's multiculturalism is open to interpretation.

The Greening of Green Advertising

The success of new ecology-minded companies, along with the obvious increase in concern over the environment among consumers, promises to make the 1990s the "green" decade, and many advertisers are responding. Many companies face not only the task of portraying their products as unharmful, but also of proving that the companies themselves are working to protect the earth and its natural resources, up to and including the ozone layer.

Anita Roddick, founder of the cosmetics-with-conscience Body Shop chain, recently stopped at the Brazilian Embassy in London on her way to work. She left bemused embassy diplomats more than a million letters from Body Shop customers, all protesting Brazilian government policies that Ms. Roddick and other environmental activists say are depleting the South American rain forests.

For Anita Roddick, it was just another day in a career that, through her company's success, is helping to redefine corporate responsibility in the age of so-called "green" consumerism.

"In the '70s, environmental concerns were not shared by companies," said Raymond van Erman, secretary general of the European Environmental Bureau in Brussels, in a recent interview. "There is definitely an evolution in management thinking, especially in Northern Europe. Of course, their new image is only part of the truth." The Body Shop's philosophy of using only environmentally friendly ingredients in its products and packaging has helped the company grow from a single shop in Brighton in the mid-1970s to more than 400 shops around the world today.

Ms. Roddick takes great delight in the way her company has consistently confounded analysts by outperforming their predictions; the financial wizards never had to reckon with the kind of customer loyalty that the Body Shop has earned, a loyalty related to products but also to the company's devotion to causes such as Amnesty International and environmental issues. From an initial offering of 95 pence ($.58) on London's Unlisted Securities Market in 1984, Body Shop shares have climbed to more than 600 pence as it offers new cleansers, shampoos, conditioners, skin creams, body oils and other cosmetics made from natural ingredients such as bananas, pineapple, peppermint or jojoba.

Homegrown companies such as the Body Shop are one thing, but Environmental Data Services, an independent trade publication, has also mentioned a number of European mega-corporations that are now instituting environmental programs: Rhône-Poulenc SA of France, Ciba-Geigy AG of Switzerland and Imperial Chemical Industries PLC of Britain are among the groundbreakers in this area.

Besides making capital expenditures that take environmental concerns into account, such corporations are instituting training programs to make employees more environmentally aware and are offering incentives to workers who come up with new ways of integrating green issues into the workplace. For instance, Reuters, the news and information service, is examining ways in which to use recycled paper in company publications.

It may be difficult to gauge the effects of green awareness and how it translates in the marketplace, but there is little doubt that most European countries are following the lead of the Netherlands, where environmental concern is such that the government was brought down last year when it couldn't agree on how tough a new air, land and water cleanup program should be. The subsequent "environmental" elections featured campaigns in which the Dutch political parties tried to outbid each other in how many billions they would spend on the environment over the next year.

> Advertisers of "green" products
>
> would be well-advised not to make
>
> absolute claims, and not to use
>
> extravagant language.

Looking around Europe, Dutch politicians and environmentalists — they are often one and the same in the Netherlands — say their neighboring countries are heading toward the same sort of awareness, but are anywhere from a few months to a few years behind.

Environmental concerns are being emphasized at both the manufacturing and retail levels: producers are spurred by retail demands, but retailers can't promote environmentally friendly products unless the manufacturers make them.

In Britain, an Institute of Directors survey of 500 executives found that three-quarters have no environmental policy in their companies, yet 60 percent say they personally use unleaded gas and half say that they are under pressure from their families to make their companies more environmentally friendly.

A BSB Europe study identifies several product areas where green issues are key, including washing powder, batteries, gasoline, paper products and organic food. The study compared the United Kingdom, described as a country with "emergent" environmental awareness, with West Germany and its "developed" awareness. German consumers, for example, are more likely than Britons to check washing powder for phosphates content before purchasing. Similarly, Germans are more willing to buy a battery that is environmentally friendly or use unbleached toilet paper, even if they have to pay more for the privilege. Environmentalists argue that green products need not cost more, but many studies show that they often do — whether or not they cost more to produce.

The BSB survey of Britain and West Germany showed that equal majorities in the two countries — nearly 90 percent of those surveyed — believe that all automobiles should run on lead-free gas, though the Germans are slightly more likely to actually use lead-free gas in their cars. In Britain, the green consumer is likely to be well-informed and a trend leader; the strong awareness among over-55s demonstrates how the environment is not solely a "young" issue.

On many environmental issues, awareness and the willingness to do something about the environment is especially high in the top income and education brackets. The report concludes that green issues are not a "crank" concern, that green issues go beyond class, age and regional barriers, and that consumers will indeed pay more for the environmentally friendly product.

At the same time, there are already signs that consumers are becoming suspicious of advertisers who appear to be jumping on the environmental bandwagon, and advertisers face an increasing risk of challenge by environmental lobbyists. In the short term, time and money could be wasted on a campaign that might have to be withdrawn; in the long run, of course, a company's credibility and public image could be at risk as well. "There's very little evidence of deliberately misleading ads. On the whole, agencies just seem to have seen an opportunity and failed to think things through," says Neil Verlander, an information officer for Friends of the Earth.

Friends of the Earth has criticized a number of campaigns, notably one in which it was claimed that nuclear power helped prevent global warming. But the organization is not sure it will award its "Green Con of the Year" in 1990 because its perception is that fewer ads are misleading — perhaps because, with companies and agencies concerned about being challenged, there are fewer ads making environmental claims.

Another reason for advertisers to be cautious in trumpeting their environmental concern is that it can backfire, as it did for disposable diaper manufacturers last year. "When nappy manufacturers embarked on a green war over dioxins, they only succeeded in drawing attention to problems with the whole technology," says Steve Robinson, chief executive of the Environment Council, which helps businesses find solutions to green-related problems.

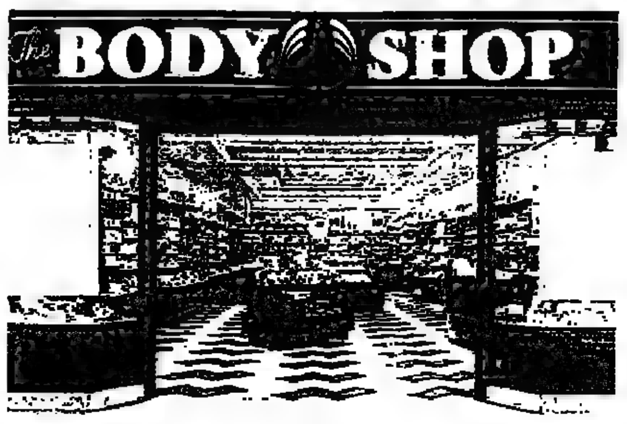
Experts say one problem is that advertisers are tempted to say their products are "environmentally friendly" when there is actually no such thing; products can cause less damage than others, but none really help the environment.

Mark Bolland of Britain's Advertising Standards Authority says that guidelines are being considered for advertisers: "They will include instructions not to make absolute claims — thus, 'environment friendlier' rather than 'environment friendly.' Advertisers should also make clear the basis of their claims and not use extravagant language. A home insulation product which uses less energy might mean less carbon dioxide in the atmosphere, but it is not permissible to show a picture of Britain under water, and suggest this would be the result of not using the product."

Timothy Harper

ENVIRONMENTAL PICTURE LIBRARY

Consuming, and helping the environment too.



Environmental awareness is gaining ground throughout the European market.

BSB Europe

The Year 2000: To Buy or Not to Buy

What will the citizens of Europe be like by the year 2000? Guesswork and fantasies aside, there are marketing tools that can help companies get a glimpse of at least some of the values and consumer patterns they are likely to have.

Bernard Walsh, managing director of The Decision Shop, makes frequent use of one of those crystal balls: GlobalSCAN, a multimillion-dollar study produced by BSB Europe, which is the parent company of The Decision Shop.

"BSB wanted a way of looking at the consumer by more than demographics," says Mr. Walsh, whose company serves as a strategic marketing resource. "They also wanted something that was usable across world boundaries on a regular basis, and something that would link attitudes to product behavior. The answer was GlobalSCAN."

GlobalSCAN is a multipart questionnaire given annually in larger countries and biannually in smaller countries. It contains about 200 attitudinal questions and 1,000 product category questions. The resulting profile of attitudes and opinions covers a wide range of products and issues. "We can access the necessary information in minutes," Mr. Walsh says of GlobalSCAN. "In one case we had a car maker who wanted to know about the type of radio programs car owners listened to. We are able to check and cross-reference *thousands of similar product relationships.*"

CONSUMER PROFILES

The Spanish buy like true achievers, whereas German consumer habits are more conservative. As for the French and British, they try hard, and spend accordingly.

(%)	France	West Germany	Spain	England
Strivers	36	15	29	29
Achievers	17	15	29	18
Pressured	13	15	12	12
Traditionals	18	27	15	16
Adapters	15	27	15	17
Unassigned	1	1	0	8

SOURCE: BSB

Mr. Walsh says that GlobalSCAN, which is administered in about 20 countries worldwide, has evolved as a necessary part of product advertising. "We often speak of market-driven products and services," he says. "We need to understand people more than ever. Traditionally, you didn't need to understand very much about the consumer, but with the advent of greater competition and the emergence of more distinct demographic groups (such as the increasingly important teenage market), that view changed and simple demographics developed."

Demographics, indeed, are not enough today. GlobalSCAN breaks the adult population into five global life-style segments: Strivers (about 26 percent), Achievers (22 percent), Adapters (18 percent), Traditional (16 percent) and Pressured (13 percent), with five percent unassigned.

"You can get the same people with the same demographic profile — same income, same number of kids, and even living on the same road," says Mr. Walsh, "but they will have completely different attitudes. We feel that the most important factor in the decision-making process is where the head and the heart are. We think GlobalSCAN gives us the best indication of that."

More important, GlobalSCAN has provided the foundation for BSB Worldwide to develop FutureSCAN, the method by which it "ages" the GlobalSCAN results to make predictions about what people will be like, how they will live and what they will be buying in the future.

"It's difficult to forecast opinions precisely," says Mr. Walsh, "but after describing them today we do what some consider to be a controversial thing and age them. The FutureSCAN model takes these aspects into account."

A key group of consumers that BSB examines in FutureSCAN is what is known as the "Early Adopters" — a group that represents about 12.5 percent of the population and which is composed of people whose purchasing habits and patterns lead the way in trend and opinion setting.

> Whoever knows what influences a
>
> certain group of people knows where
>
> marketing opportunities and pitfalls lie.

"Over time, values change," he says, "but some values are common across age ranges. So we started to age people's core and significant non-core values. It's not perfect — nothing can be — but we feel it provides the best possible look into the future."

Mr. Walsh declines to give specifics such as what kind of coffee, cars or clothes we might or might not be buying at the turn of the century, but says that recent general trends have been toward the aggressive pursuit of achievement, increasing pressure and increasing fear of failure. He also says that there will be an increase in what he calls the "creative art of coping" — the ways in which we deal with that pressure. He describes Early Adopters as narcissistic, self-confident, premium-branded and adventurous. He says that Achievers will work hard and play hard, find it important to make money, will be more sophisticated and materialistic and want premium products. He adds that they will also feel increased pressure, loneliness and lack of control.

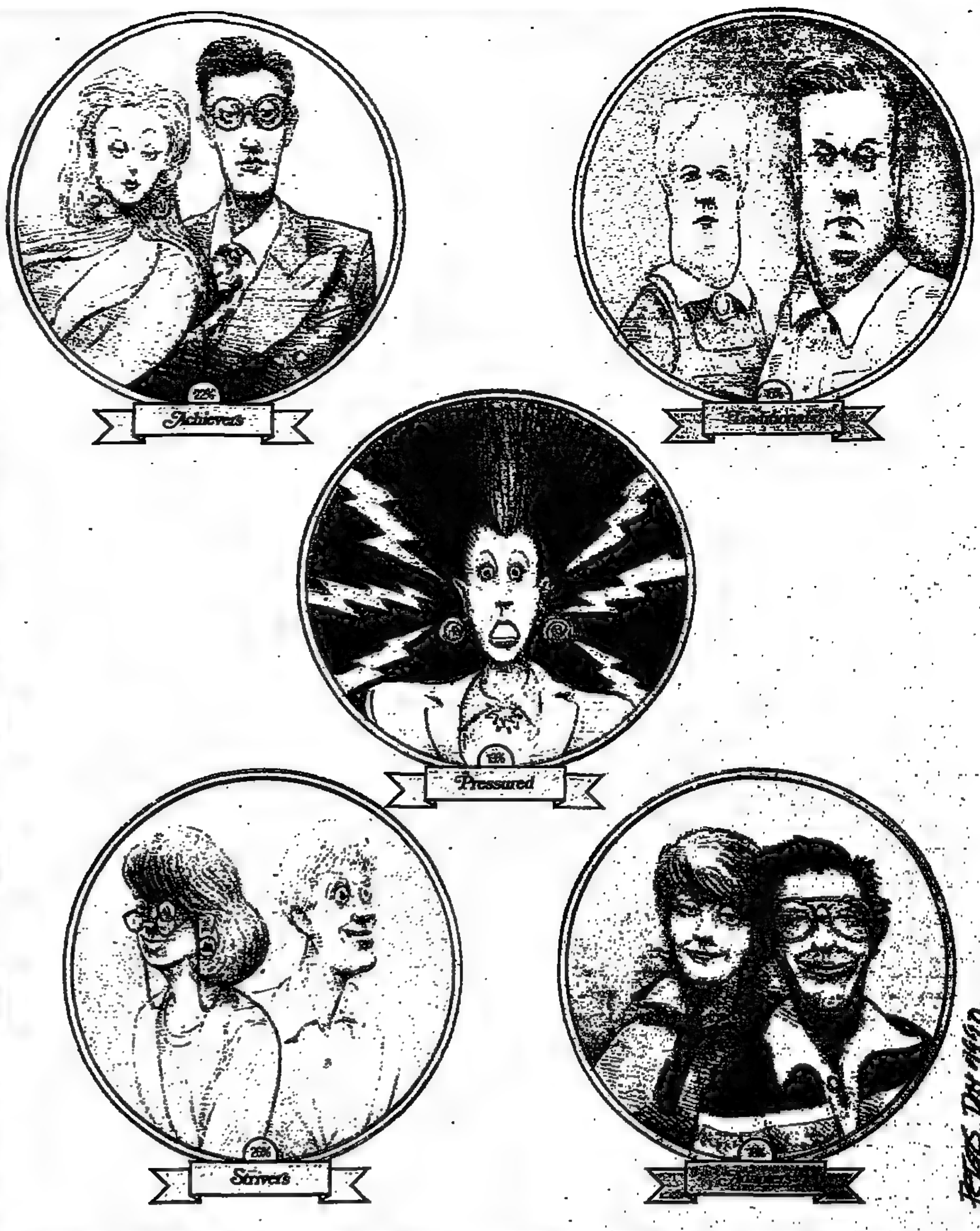
"We've found a lot of polarization," he says. "There's the push to get on and the fear of not getting on."

Mr. Walsh believes that there could be major attitudinal changes ahead. He is eagerly awaiting the next phase of testing, which starts in several countries this spring and should be ready for analysis by November.

"What's happened in Eastern Europe could have huge implications for marketing," he says. "What will also be interesting for us is that in this next survey we are including Scandinavia and Italy. Based on some work we have already done, we believe there may be a softening of materialistic attitudes and an increase in less materialistic aspects — family and society. There may be a trend from 'what do I have?' to 'who am I?' concerns."

The bottom line is that whoever knows what influences a certain group of people knows where marketing opportunities and pitfalls lie.

Sean Kelly



Consumer attitudes are far more important than demographics, according to the GlobalSCAN study.

UNIROYAL
3M
In the New Europe of the '90s, a
BSB
company's major asset will be its brands.
Electrolux
calgon
Fisher-Price
Pedigree PAL
LAND-ROVER
MilkyWay
Rennie
SNICKERS
Castrol
Raider
Benson & Hedges
CAMPARI
CATERPILLAR
ASPRO
Jaffa
nt northern telecom
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ERICSSON
Brekkies
unicef
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BSB

AUSTRIA
Dr. Puttner & BSB Worldwide.
Wambachergasse 2 - 1130 Vienna.
Tel.: 43 1 80103 - Fax: 34 1 8010337.
Dr. Gerhard Puttner — President.

BELGIUM
BSB Brussels SA/NV.
Rue de Geneve 6 - Bte. 8 - 1140 Brussels.
Tel.: 32 2 2444611 - Fax: 32 2 2444613.
David Lawrence — Chairman/CEO.

DENMARK
BSB Holdings
29 Landemaerket, DK 1119 Copenhagen K.
Tel.: 45 33 137913 - Fax: 45 33 157126.
Hans-Ulrik Longhi — Managing Director.

Norgard Mikkelsen Reklamebureau AS.
Vandvaerksvej 18 - 5100 Odense C.
Tel.: 45 66 141480 - Fax: 45 66 141943.
Ove Norgard Mikkelsen - Managing Dir.

FRANCE
BSB France.
3 Rue Bellini - 92806 Puteaux-la-Defense.
Tel.: 33 1 47764121 - Fax: 33 1 47730248.
Jean-Loup Leforestier — Chairman/CEO.

FINLAND
BSB Finnad Oy.
Annankatu 42C - 00100 Helsinki.
Tel.: 358 0 693 791 - Fax: 358 0 694 6753.
Carl-Eric Holm — Chairman/CEO.

GERMANY
BSB Frankfurt Werbeagentur GmbH.
Bettinastrasse 53-55 - 6000 Frankfurt 2.
Tel.: 49 69 743500 - Fax: 49 69 7435359.
Albert Loschengruber — Managing Dir.

Scholz & Friends Werbeagentur GmbH.
Gaensemarkt 24 - 2000 Hamburg 36.
Tel.: 49 40 356020 - Fax: 49 40 340537.
Gunther Gahren — Managing Dir.

GREECE
BSB Athens Advertising S.A.
26-28 Mitropoleos St. - GR-105 63 Athens.
Tel.: 30 1 3229223 - Fax: 30 1 3221532.
Costas Papagiannacopoulos
Chairman/Managing Dir./CEO.

IRELAND
BSB Hunter Advertising.
9 Upper Pembroke Street - Dublin 2.
Tel.: (353) 1 760221 - Fax: (353) 1 765201.
Gareth Oldham — CEO.

ITALY
BSB Italia.
Via Paleocapa 7 - Milano 20121.
Tel.: 39 2 809761 - Fax: 39 2 857469.
Giorgio Lodi — Managing Director.

HOLLAND
BSB Amsterdam.
President Kennedylaan 1 - 1079 MB Amsterdam.
Tel.: 31 20 448933 - Fax: 31 20 422545.
Boudewijn Hoogeweegen — Managing Dir.

NORWAY
BSB Bates-Gruppen A/S
Munkedamsveien 35, 0250 Oslo 2
(P.O. Box 2464, Solli-N 0202 Oslo 2).
Tel.: 47 2 837500 - Fax: 47 2 831851.
Arne Jensen — CEO.

PORTUGAL
BSB Boom.
Avenida 5 de Outubro, 35, 8th Floor,
1000 Lisbon.
Tel.: 351 1 352132 - Fax: 351 1 543441.
Marcenal de Andrade — Managing Dir.

SPAIN
Grupo BSB SA.
Plaza Pablo Ruiz Picasso S/N.
Edificio Torre Picasso,
10th Floor, 28020 Madrid.
Tel.: 34 1 5718000 - Fax: 34 1 5718286.
Stanley Bendelac — Chairman/CEO.

SWEDEN
BSB Sweden.
Friggagatan 10 - Box 5601
S-114 86 Stockholm.
Tel.: 46 8244560 - Fax: 46 8 103042.
Per-Axel Brommesson — Chairman.

Adaptus/BSB.
Kungsgatan 66 - S-11122 Stockholm.
Tel.: 46 8 230230 - Fax: 46 8 110677.
Ake Borgudd — Managing Dir.

UK
BSB Dorland.
121-141 Westbourne Terrace
London W2 6JR.
Tel.: 1 262 5077 - Fax: 1 258 3757.
Michael Bungey — Chairman/CEO.

FROM
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Herald Tribune.
BUSINESS/FINANCE
** MONDAY, MAY 21, 1990

TO MICROCHIP
TECHNOLOGY
In Touch with Tomorrow
TOSHIBA

EUROBONDS

New Issues Spring Back Amid Uncertain Demand

By Carl Gewirtz
International Herald Tribune

AFTER eight weeks of barely treading water, the Eurobond market sprung into action last week with virtually all currency sectors registering a substantial pickup in new-issue volume. Activity is also expected to be heavy this week, although professionals are already questioning how deep the appetite for new paper really is.

The highlight this week is an expected $1.25 billion structured financing by Citibank, which will be marketing credit-card receivables in the form of a triple-A rated global bond.

This global bond, like the previous trail-blazing World Bank issues, will be offered simultaneously in the United States and internationally in registered form. But, unlike the tax-exempt World Bank, the Citibank issue will break new ground in testing the willingness of international investors to fill out forms spelling out their tax liability to the U.S. Internal Revenue Service.

> **With the Treasury refunding ended, investor demand has resurfaced.**

This goes against the tradition of the Eurobond market, where paper is issued in anonymous bearer form, and no questions are asked about taxes. Failure to supply the necessary papers could result in 30 percent of the interest payment being withheld.

The Citibank paper, like the World Bank global issue, is clearly aimed at institutional investors and the attraction to them is a higher yield. Existing Eurobonds backed by credit-card receivables currently yield some 70 basis points more than comparably dated U.S. Treasury bonds. But the global bonds are expected to be marketed at a spread of about 80 basis points over Treasuries, a few basis points less than such structured financings currently yield in the domestic U.S. market.

While the $1.3 billion of straight dollar Eurobonds offered last week would seem to indicate a revival of investor demand, bankers caution that appearances may be deceiving. In the past eight weeks, only $567 million of straight dollars have been marketed.

This slowdown coincided with the deterioration in prices and the rise in yield levels that preceded the U.S. Treasury's quarterly refunding in early May, when $31 billion of money was raised. With the auction successfully completed, the market subsequently rallied and demand that had been sidelined is now spilling out.

BUT WITH the backlogged demand satisfied, there is some question about how much volume the market can stand. Except for the first two weeks of this year and the mid-February $1.5 billion World Bank global issue, new-issue volume has not exceeded $700 million per week.

In theory, the market should be capable of sustaining much higher activity. Just reinvesting the dollar income received from payments of interest and principal on outstanding dollar-denominated international bonds should sustain a monthly average $15.5 billion. The Bank for International Settlements estimates that such dollar payments will total $188 billion this year.

Including all currencies, scheduled payments by Japanese issuers this year are estimated at $15 billion. The Japanese share of scheduled payments soars in subsequent years, as the huge volume of short-dated equity-related issues begin to mature. Next year, for example, Japanese payments are projected at $50 billion and in the year after at $87 billion.

The obvious hesitancy of investors to currently reinvest income reflects uncertainties about interest as well as currency rates. Professional opinion remains divided about whether the U.S. economy is poised to tip into recession or rebound.

While the future direction of the dollar looks uncertain, the British pound came into fashion with a bang last week on heightened expectations that Britain is preparing to rejoin the exchange-rate mechanism of the European Monetary System.

Anticipating that the worst of Britain's inflation may be over and interest rates headed lower, money flooded into the bond market, driving down yields and narrowing the spreads that Eurosterling bonds have been trading at relative to British government issues.

The fact that interest rates declined and the currency strengthened signaled that foreign money is moving into sterling. While the euphoria is expected to continue, analysts caution against getting over-excited as formal full entry is not expected before the end of the year.

The rally so far has knocked long-term yields down almost 1.5 percentage points. Medium-term Eurosterling bonds recently yielding more than a percentage point more than government paper ended the week at spreads of 75 to 80 basis points.

Dealers expect this to lead to a renewed flow of Eurosterling bonds. Ford Motor Co. and General Electric Capital Corp. are both rumored to be likely issuers.

Last week saw only one fixed-rate issue, a 16-month issue from

See EURO, Page 9

CURRENCY RATES

Cross Rates

May 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.857	3.1465	1.1393	0.3306	0.153 *	—	5.44 *	1.3207	1.2157 *	1.5765	1.803 *
Brussels	34.1375	57.7125	20.4495	6.1225	2.3118 *	18.384	—	24.2685	0.2235	29.015	0.3315 *
Frankfurt	1.6585	2.771	—	0.2968	0.1361 *	0.8894	4.839 *	1.1744	1.080 *	1.403	1.604 *
London (a)	1.6865	—	2.785	9.2975	2,046.00	3.1353	57.455	2.3773	258.365	1.9865	173.58
Madrid	102.95	174.147	62.327	18.514	8.409 *	55.465	3.0185	73.34	67.37 *	87.70	—
Milan	1,213.20	2,052.50	735.20	218.13	—	652.86	35.503	863.20	7.940	1,029.80	11.785
New York (b)	—	1.69 a	1.646	5.558	1,212.25	1.8525	34.865	1.405	151.05	1.1796	102.40
Paris	5.5645	9.416	3.3800	—	0.4584 *	2.9977	0.1631	3.3575	3.649 *	4.73	5.4045 *
Tokyo	152.95	258.79	92.75	27.54	0.1263	82.52	4.4066	108.86	—	1.2823	1.4825
Toronto	1.1798	1.9907	0.7161	0.2124	0.9724 *	0.637	3.402 *	0.84	0.7711 *	—	1.15 *
Zurich	1.4057	2.3789	0.8522	0.2528	0.1159 *	0.7597	4.1199 *	—	0.9271 *	1.1941	1.3646 *
1 ECU	1.241	0.7333	2.0483	6.982	1,505.87	2.3027	42.3377	1.7443	188.582	1.4607	127.739
1 SDR	1.2844	N.Q.	2.116	7.2889	1,606.94	2.4595	45.2135	1.8615	202.374	1.5884	136.391

Closings in London and Zurich, fixings in other centers. New York closing rates, Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. austral	4820.2	Greek drac.	162.80	Mex. peso	2818.00	S. Afr. rand	2.631
Austral. $	1.3123	Hong Kong $	7.7845	N. Zealand $	1.7467	Soviet ruble*	0.5955
Austr. schil.	11.61	Indian rupee	17.331	Norw. krone	6.40	Swed. krona	6.0285
Brazil cruz.	50.87	Indo. rupiah	1,816.00	Phil. peso	22.53	Taiwan $	26.95
Chinese yuan*	4.72	Irish £	0.6161	Port. escudo	144.75	Thai baht	25.72
Danish krone	6.282	Israeli shek.	1.96	Saudi riyal	3.7504	Turkish lira	2504.00
Egypt. pound	2.6683	Kuwaiti dinar	0.2906	Sing. $	1.854	UAE dirham	3.672
Fin. markka	3.893	Malay. ring.	2.6965	S. Kor. won	709.10	Venez. boliv.	46.88

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6836	1.6744	1.6658	Canadian dollar	1.1829	1.1878	1.1925
Japanese yen	152.52	152.43	152.30	Swiss franc	1.4046	1.4042	1.4040
Deutsche mark	1.6486	1.6484	1.6483				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	May 18	May 11	Ch'ge
DJ Indus.	2,819.91	2,801.58	+0.65 %
DJ Util.	214.73	216.99	—1.04 %
DJ Trans.	1,177.28	1,177.45	—0.01 %
S & P 100	336.95	333.86	+0.93 %
S & P 500	354.64	352.00	+0.75 %
S & P Ind	412.75	409.45	+0.81 %
NYSE Cp	193.55	192.24	+0.68 %
Britain			
FTSE 100	2,269.10	2,175.90	+4.28 %
FT 30	1,793.30	1,708.80	+4.94 %
Japan			
Nikkei 225	32,014.00	31,512.00	+1.59 %
West Germany			
DAX	1,843.59	1,875.03	—1.68 %
Hong Kong			
Hang Seng	2,925.89	2,960.46	—1.17 %
World			
MSCIP	517.20	498.80	+3.69 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	May 18	May 11
Discount rate	7.00	7.00
Federal funds rate	8 3/16	8¼
Prime rate	10.00	10.00
Japan		
Discount	5¼	5¼
Call money	7 7/32	7 3/32
3-month interbank	7 9/32	7 9/32
West Germany		
Lombard	8.00	8.00
Call money	7.90	7.90
3-month interbank	8.30	8.30
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	15.00
3-month interbank	15⅛	15¼

Gold	May 18	May 11	Ch'ge
London p.m. fix $	369.90	368.55	+0.37 %

Lotus's Acquisition of Novell Collapses

By John Markoff
New York Times Service

NEW YORK — Lotus Development Corp. revealed Sunday that its $1.4 billion takeover of Novell Inc. collapsed Friday night after the two concerns failed to agree on the composition of the board of directors for the merged company.

Executives at both companies said that the attempts to consolidate the two had been ended.

The merger of Lotus and Novell would have married the leading publisher of computer spreadsheet programs with the foremost producer of network software for personal computers in a coalition that executives at both companies said would capitalize on industry trends.

In recent years, the highest growth in the computer industry has been in systems of personal computers and workstations connected to each other through communications networks.

Lotus, publisher of the popular 1-2-3 spreadsheet, has traditionally been viewed as a one-product company. It has been pushing to diversify into programs that run in networks instead of on single machines. Spreadsheets are widely used to manage corporate financial accounting. They facilitate rapid calculations among multiple sets of numbers.

The proposed merger had received mixed reviews from analysts and industry executives who said it did not have clear benefits. There were also reservations about the terms of the agreement among Novell shareholders, who felt that the price paid for their stock was not high enough and that Novell management would not have a large enough role in the new company.

Lotus would have exchanged stock equal to the average value of Novell shares in the 10 days leading up the announcement of the merger. That would have required Lotus to swap 1.19131 shares of its stock for each Novell share.

After the planned merger was announced Lotus stock fell $2, to $34.25. Novell stock plunged $4.125, to $38.75. On Friday, Lotus stock closed at $34.75, while Novell's ended at $40.125.

Jim P. Manzi, the Lotus chairman, said he was surprised and disappointed that the merger had failed. He said that on Thursday morning, after a telephone conference call between members of both boards, he had believed that all the issues at stake had been resolved.

Institutions Back Calls For End to Subsidies

Reuters

PARIS — The world would reap a windfall of more than $200 billion a year if rich and poor nations dismantled farm subsidies and import barriers, two key institutions said in a report for release Monday.

The report by the Paris-based Organization for Economic Cooperation and Development and the World Bank lends support to efforts by the United States and a group of food exporters to overhaul agricultural policies.

Washington says agricultural export subsidies, price supports and import barriers distort trade.

The European Community, with almost five times as many farmers as the United States, has rejected the U.S. argument at talks held under the aegis of the General Agreement on Tariffs and Trade.

Without taking sides in the debate, the 488-page report concludes that radical farm policy reform would help both rich and poor nations and that it would be particularly beneficial if programs affecting all commodities were overhauled.

"Liberalization offers the world a potential dividend estimated at well over $200 billion a year in savings to governments — and their taxpayers and food purchasers," the report said.

Farm policy reform in the industrialized countries would boost commodity prices by about 12 percent, the report said.

Britain Edges Closer to EMS

By Craig R. Whitney
New York Times Service

LONDON — With the first phase of European economic and monetary union set to begin on July 1, anticipation is rising in British financial markets that Prime Minister Margaret Thatcher will soon let the pound join the European exchange rate mechanism.

By agreeing a year ago to participate in the first phase, Mrs. Thatcher committed Britain to joining the currency system, which would require the government to hold the value of the pound within set exchange rate bands.

[Government officials said the pound could join the EMS this year, but the chancellor of the Exchequer John Major, speaking on British television Sunday, refused to be drawn further on the timing of the move, Reuters reported.]

Mrs. Thatcher has said Britain could join only after all the other member countries had liberalized free movement of capital, as Britain has done, and after Britain got its inflation rate down closer to the level of other European countries.

European economic and monetary union is envisioned as a three-step process.

The first phase requires the 12 nations of the European Community to eliminate most restrictions on currency movement, closely coordinate their economic policies and agree to join the European Monetary System.

Stages two and three remain sketchy, but would presumably require the countries first to cede some sovereignty over monetary policy, and then agree to a single European central bank and a single currency.

Not only the timing but also whether all 12 nations will approve the later phases is uncertain.

Italy, Belgium and France recently lifted most of their restrictions on capital movements.

And even though British inflation has continued to rise, to a current level of 9.4 percent, Mrs. Thatcher said last weekend that when the effects of a new local tax and of high interest rates were taken out of the figures, British inflation was not that much higher than the European Community average, which was 4.8 percent last year.

> **'I am sure we will benefit from joining' the EMS exchange rate mechanism.**
>
> **John Major, Chancellor of the Exchequer.**

To most economists, this sounded less like a "no, until" than a "yes, when."

But Mrs. Thatcher's aides insisted that though her tone might have changed, her basic policy had not, nor had she dropped her fundamental skepticism about government-controlled exchange rates and a common European currency in the later stages of monetary union.

Mr. Major has reflected this line in most of his public statements.

"I am sure we will benefit from joining" the exchange-rate mechanism, "and join it we most certainly will when our conditions are met," he told a group of British business leaders in a speech last Thursday.

Mrs. Thatcher has long said Britain would join when the time was right, but according to diplomats in London, Mrs. Thatcher has apparently given Mr. Major considerably more freedom to decide when that is than she gave his predecessor, Nigel Lawson.

It is generally believed Mr. Major will take the pound into the exchange rate mechanism sooner rather than later.

Doing so early next year, when the government hopes it will have inflation under better control, would allow Mrs. Thatcher to deprive the opposition Labor Party of a political issue before the general elections she must call by mid-1992.

Her political advisers concede the government would have little chance of winning unless its inflation policy worked well enough to let it reduce the basic rate of interest, now 15 percent, and the variable-rate mortgage payments of millions of voters along with it.

Some economists argue pegging the pound tightly to the stable Deutsche mark in the exchange rate mechanism would make it easier to do this.

But Mr. Major said Thursday "it is an added discipline, which will reinforce domestic monetary restraint, not replace it."

What happens after Britain does join the exchange rate mechanism is far less clear.

The second stage of a European economic and monetary union, according to the original blueprint proposed by a committee headed by the EC Commission president Jacques Delors, would involve fixed exchange rates among the 12 currencies, moving toward a common currency in the third stage.

U.S. Banks Curb Loans To Smaller Companies

By Nathaniel C. Nash
New York Times Service

WASHINGTON — A Federal Reserve Board study has confirmed what many financial specialists have been saying for weeks: U.S. commercial banks are curbing credit to small and medium-sized companies.

But the Fed's study of 60 banking institutions also found that while loan growth to some businesses this year has slowed, total lending has not declined, indicating that warnings of a recessionary nationwide credit tightening are unfounded.

"The bottom line is that you don't see the kind of horror stories in the data that you've seen in the anecdotes," said Robert E. Litan, senior fellow and a banking specialist at the Brookings Institution. "There has been some moderate degree of tightening, but there has not been the systemic kind of credit crunch we've heard about."

The study, done three times a year, did find that almost all banks surveyed reported tighter policies on loans involving real estate.

A large share of the bankers said they had considerably tightened restrictions on developers, indicating the real estate industry is experiencing a credit crunch.

"For marginal borrowers, who to a considerable degree are companies involved in and related to real estate, it feels like a credit crunch," said Robert Dugger, chief economist of the American Bankers Association. "But in the economy as a whole, sound borrowers are still getting credit."

The survey, released Friday, of senior loan officers at small, medium and large banks, came one week after the three top U.S. banking regulators held an unusual meeting with directors of the bankers association and urged them to continue lending to creditworthy customers.

Bankers indicated in the survey that their tightening up on some loans was largely motivated by what the Fed survey described as a "less favorable economic outlook."

A second reason cited was the deterioration of banks' loan portfolios, also an indication of a weakening economy.

The meeting with the association officials was seen as the clearest signal the regulators could make to bankers that they did not want them to overreact to reports of pressure to tighten lending.

The meeting was attended by

See BANKS, Page 9

UIC Plans to Retain Singland Properties

Reuters

SINGAPORE — United Industrial Corp., which has claimed victory in its five-week takeover battle for Singapore Land Ltd., said Sunday that it would not sell assets of the real estate developer to pay debt incurred in the acquisition.

United Industrial declared Saturday it had secured 88.88 million Singland shares at the close of its takeover offer on Friday. The conglomerate, which on April 6 made a 2.6 billion Singapore dollar ($1.4 billion) hostile bid for the real estate concern, said it holds a 67.4 percent stake, including about 23.70 million Singland warrants.

Analysts said the takeover battle, the biggest in Singapore's corporate history, would cost United Industrial up to 1.33 billion dollars, far more than the level it desired.

Singapore regulations require that if a takeover bid becomes unconditional and a company acquires more than a 50 percent stake in its target, it must keep buying tendered shares and warrants at the offer price.

A 100 percent acquisition of Singland, including about 131 million shares and 56 million warrants, would cost about 2.6 billion dollars.

United Industrial has said it is interested in gaining only a controlling interest of just above 50 percent.

Analysts said United Industrial, with a cash surplus of 700 million dollars, is expected to draw down a standby 1.9 billion dollar facility, syndicated by Citicorp Investment Bank (Singapore) Ltd.

Oei Hong Leong, president of United Industrial, said, "Some people suggested we are going to strip Singland's assets. We will not do it. On the contrary, we will buy more assets in prime office places here for Singland."

"On financing, we are keeping our options open, but we see no major problem there," Mr. Oei said.

Mr. Oei said United decided to invest in Singland because it has prime Singapore properties. United began buying shares in September.

Aware of nervousness of shareholders about Singland's fate, Mr. Oei said its chairman, S.P. Tao, would continue in his post. Mr. Tao, 73, initially fought the bid, but he has said he would retain his 20 percent stake in Singland.

Dutch Object As Europe Bank Deal Is Ratified

By Jacques Neher
Special to the Herald Tribune

PARIS — London was chosen over the weekend as the location for a bank to aid Eastern Europe, and a French official, Jacques Attali, to head it. But the Netherlands has threatened to block the planned May 29 signing of a treaty establishing the $12 billion institution.

Many other backers of the bank, designed to finance private-sector and public-infrastructure development in the battered economies of Eastern Europe, characterized the Dutch protest as symbolic and predicted it would be calmed in time for the signing in Paris.

At a Paris meeting Saturday of the 42 founding members of the European Bank for Reconstruction and Development, an overwhelming majority voted to situate the bank in London and to designate Mr. Attali, a chief adviser to President François Mitterrand of France, as the bank's first top executive.

The Dutch delegation stormed out of the meeting after the vote, claiming the selection process had been "deviously stage-managed" by France with the backing of its fellow members in the Group of Seven large industrial countries: Britain, the United States, Canada, Japan, West Germany and Italy.

The delegation, which had offered Dutch candidates for the headquarters and the presidency, said it might block signing of the treaty unless the votes were reconsidered and either the headquarters site or the presidency were awarded to candidates representing smaller countries.

"We have 10 days to think over our position," said Jaap Weeda, Dutch Finance Ministry spokesman.

Officials said the Dutch government could withhold its signature from the founding treaty, in addition to blocking the signatures of the European Commission and the European Investment Bank, each of which are to take 3 percent stakes in the new institution. The participation of the two institutions in the development bank requires the unanimous support of the 12 European Community members.

The treaty itself cannot be put forward for ratification by the 42 founding members without the agreement of all.

[Later, Foreign Minister Hans van den Broek said the Netherlands "had to accept" the decision, Agence France-Presse reported from the Hague.]

The Dutch had enlisted support of six other small countries in the European Community to challenge an unofficial accord worked out between France and Britain earlier in the month during the International Monetary Fund's spring meeting.

Terms of that deal reportedly called for the G-7 to support Mr. Attali for chief and London for the site of the bank as counterpart to France and Britain resolving a feud over their rankings within the IMF.

Cees Maas, the Dutch treasury director and head of the country's delegation, attacked the G-7 deal during the meeting, sources said, telling his colleagues before the vote that "this selection should be based on the qualities of the candidates, not on horse-trading."

In the voting, Mr. Attali won the support of 32 of 40 countries, and he won 86 percent of the weighted vote based on the countries' contributions to the bank's equity.

The Dutch candidate, H. Onno Ruding, a former finance minister and IMF official, was backed by only eight countries, and he received 8 percent of the weighted vote.

In the poll over the headquarters, London won out in the first round, with 23 out of the 42 individual votes and 70 percent of the weighted votes. Amsterdam and Copenhagen each won five votes, with the remaining six votes scattered among four other sites.

A Canadian delegate said the Netherlands' stance was designed "to send the G-7 a message that the small countries don't want to be pushed around any more."

Mr. Attali had no comment, but a member of the French delegation claimed that the Dutch protest was unfounded. "We spent long hours defining a process for the selection of the president and the headquarters city, and we followed that process," he said.

Istvan Ipper, head of the Nation-

See EUROPE, Page 9

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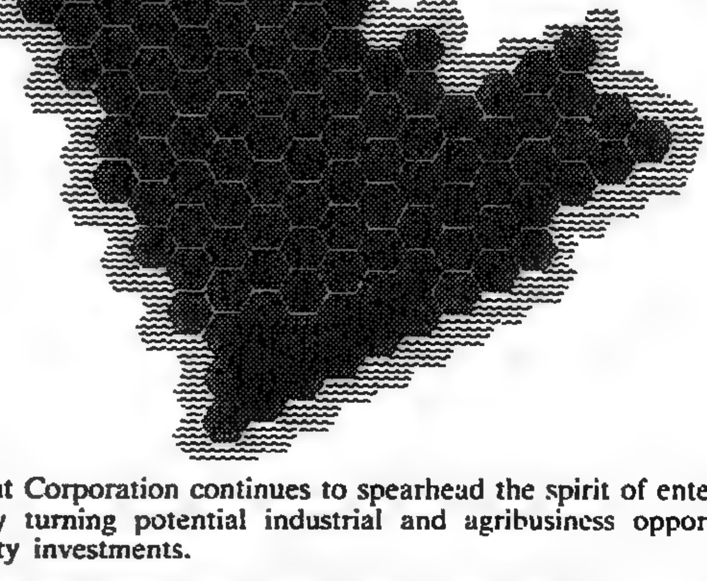

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. May 18

Australian Dollars

Canadian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A I D C	10	91	97¼	13.35	+67
A I D C	10½	93	92	13.40	+125
A K Z O	9¾	90	99	13.44	+76
A K Z O	11	91	96	13.90	+122
Abbey Natl	10¼	94	91¼	12.85	+91

ECU Straights

Yen Straights

Pound Sterling

OPEC Minister Foresees Oil Price at $19 a Barrel

Compiled by Our Staff From Dispatches

ABU DHABI — Petroleum Minister Mana Said Oteiba of the United Arab Emirates was quoted as saying Saturday that the reference price for OPEC oil could rise to $19 a barrel in 1991.

Mr. Oteiba told the Abu Dhabi-based Emirates News and Japanese journalists in Tokyo that the Organization of Petroleum Exporting Countries's May 3 pact had helped improve oil prices, which had dropped 25 percent this year, or nearly $6 below OPEC's reference price of $18 per barrel. The price is calculated on a blend of crudes.

"We should try to balance between a reasonable level of price and of market share. In 1991 we can perhaps look for a $19 reference price," he said.

The 13-member cartel agreed earlier this month to cut its output by 1.445 million barrels a day to raise prices in a glutted market.

Separately, President Marco Vinicio Cerezo Arévalo of Guatemala said in Caracas that Central American nations will propose Mexico and Venezuela relax payment terms for the region's $3 billion oil debt.

"We have proposed rescheduling the debt over 20 years, with six years of grace and a 4 percent interest," Mr. Cerezo said on an official visit to Venezuela.

Under a 1980 accord, Mexico and Venezuela supply up to 160,000 barrels of oil daily to a dozen Central American and Caribbean nations on preferential terms. Payments from most recipients are long overdue. *(AFP, AP)*

MUTUAL FUNDS

Figures as of close of trading Friday, May 18.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

هكذا من الأصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Altus Finance	$200	2000	1/16	99.95	—	Over 6-month Libor. Callable at par in 1995. Fees 0.12%. Denominations $10,000. (Crédit Lyonnais.)
Skandinaviska Enskilda Banken	$100	2000	¼	100	—	Over 6-month Libor until 1995 and 0.45% over thereafter. Callable at par in 1995. Fees 0.26%. (Goldman Sachs Int'l.)
New Zealand	DM 300	1997	-1/16	100	—	Below 3-month Libor. Callable at par in 1995. Fees 0.25%. (CSFB Effectenbank.)
Okobank	DM 200	2000	1/32	100.30	—	Over 6-month Libor. Redeemable and callable at par in 1995. Fees 0.20%. (DG Bank.)
Bradford & Bingley Building Society	£ 50	1999	1/16	99.37	—	Over 3-month Libor. Callable at par in 1994. Fees not disclosed. Denominations £10,000. (Credit Suisse First Boston.)
Nationwide Anglia Building Society	£ 150	1995	0.10	100	—	Over 3-month Libor. Noncallable. Fees 0.14%. Denominations £10,000. (Baring Brothers & Co.)
Interfinance Crédit National	ECU 30	1995	⅛	100.10	98.23	Below 3-month Libor. Redeemable at par on each payment date. Fees 0.10%. Denominations 100,000 ecus. (Sanwa Int'l.)
Fixed-Coupons						
Ford Capital	$250	1997	9¾	101.635	99.45	Noncallable. Fees 1⅞%. (Credit Suisse-First Boston.)
Int'l Finance Corp.	$300	1995	9¼	99.65	99.38	Noncallable. Fees 0.25%. (Deutsche Bank Capital Markets.)
Japan Development Bank	$150	1997	9½	101.70	100.00	Noncallable. Fees 1⅞%. (LTCB Int'l.)
KFW Int'l Finance	$300	1995	9¼	99⅝	99.38	Noncallable. Fees 0.25%. (Deutsche Bank Capital Markets.)
SBAB	$300	1995	9½	101½	99.63	Noncallable. Fees 1⅞%. Denominations $10,000. (Nomura Int'l.)
Finnish Export Credit	£ 200	1991	16	101⅞	—	Noncallable. Fees 0.875%. (Merrill Lynch Int'l.)
Procter & Gamble	ITL 125,000	1993	13	101.80	—	Noncallable. Fees 1½%. (Istituto Bancario San Paolo di Torino.)
British Telecom Finance	ECU 100	1995	10⅜	101.675	100.30	Noncallable. Fees 1⅞%. (Bank of Tokyo Capital Markets.)
Compagnie Bancaire	ECU 60	1992	11	101.85	100.70	Noncallable. Fees 1½%. (Banque Paribas Capital Markets.)
Council of Europe	ECU 100	1992	10½	101⅛	99.88	Noncallable. Fees 1½%. (Merrill Lynch Int'l.)
Crédit Local de France	ECU 125	1993	10⅝	101.30	99.93	Noncallable. Fees 1⅞%. (Banque Paribas.)
Eurofima	ECU 125	1995	10⅜	101.65	99.90	Noncallable. Fees 1⅞%. (Crédit Lyonnais.)
Export Finance of Norway	ECU 100	1995	10½	101⅞	100.00	Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
World Bank	*ECU 125*	*1995*	*10⅜*	*101.55*	*100.00*	Noncallable. Fees 1⅞%. (Crédit Commercial de France.)
Nordic Investment Bank	C$ 100	1993	13	101.90	101.15	Noncallable. Fees 1⅞%. (ScotiaMcLeod.)
Natwest Australia	Aus$ 25	1993	15½	101¼	100.25	Noncallable. Fees 1½%. (Natwest Capital Markets.)
Swedish Export Credit	Aus$ 50	1991	18	101¾	100.75	Noncallable. Redeemable at maturity in U.S. dollars at a fixed exchange rate of Aus$0.735 per dollar. Fees 1%. (Bankers Trust Int'l.)
Tasmanian Public Finance	Aus$ 50	1993	15¼	101.40	100.00	Noncallable. Fees 1½%. (Deutsche Bank Capital Markets.)
Caisse Nationale de Crédit Agricole	¥ 20,000	1993	7.40	101⅜	—	Noncallable. Fees 1⅞%. (Mitsui Taiyo Kobe Int'l.)

EURO: *Issues Spring Back Amid Uncertain Demand*

(Continued from first finance page)

Finnish Export Credit for £200 million and two floaters from British building societies.

The improvement in sterling also led to renewed activity in the market for European currency units. Although not part of the EMS, sterling is a component of the ECU and a decline in sterling interest rates means that ECU rates should ease back.

Seven issues worth 735 million ECU were floated last week. Issuers included three supranationals — the World Bank, Eurofima and the Council of Europe — as well as two state entities, Crédit Local de France and Export Finance of Norway. British Telecom PLC and Compagnie Bancaire filled out the list from the private sector.

By the end of the week, dealers were questioning whether demand was strong enough to absorb such a heavy flow in so short a period, particularly for the short-dated paper.

Dealers complained that the 10.8 percent yield on the two-year issues from the Council of Europe and Compagnie Bancaire and the 10⅞ percent yield on the three-year paper from Crédit Local were not enticing, given that one-year ECU bank deposits pay 10⅝ percent.

The yield on the five-year maturity chosen by the other issuers was even lower. The World Bank, the best-received issued, was offered to yield 10.43 percent and ended the week yielding 10.37 percent. But in the five-year maturity investors have greater scope for potential capital gains as interest rates decline and are willing to forfeit some yield now for that possibility.

Although the Deutsche mark sector remains under a cloud because of worries about the financing of monetary unification with East Germany, the market was jolted last week when the government tapped the domestic market with a 10-year bond of 6 billion DM.

The standard size of government issues has been 4 billion DM and the 50 percent increase was taken as a foretaste of even bigger issues to come, causing renewed weakness in the bond and currency markets.

The only Euro-DM paper issued last week — for New Zealand and Okobank — were in the form of floating-rate notes, which afford investors maximum protection against a continuing rise in interest rates.

In the equity market, Atlas Copco of Sweden is planning to sell 4 million B shares, which have one-tenth the voting rights of A shares. The offering will double the outstanding amount of B shares.

EUROPE: *Dutch Object*

(Continued from first finance page)

al Bank of Hungary, said that contrary to the Dutch position, "the vote showed that these decisions have been undertaken by all the countries, not just the G-7."

Observers said they believe the Hague will ultimately back down, perhaps after receiving some assurance that it will not be overlooked when the next international agency or *executive post comes up.* They said the prize the Netherlands covets most is the post of European Commission president when the mandate of the current head, Jacques Delors of France, ends.

Mr. Weeda said the protest would strengthen the Netherlands position for future EC negotiations.

Once the treaty is signed, the 42 founding members have until March 31, 1991, to ratify it. The bank is expected to be operating sometime next year.

Of the 10 billion European currency units ($12.4 million) making up its capital, 30 percent will be put up in cash by its founding members and the rest is to be raised on private markets.

A British official said it would be up to Mr. Attali to choose the actual site for the bank in London, saying that locations have been proposed in the new Docklands development, Central London and the City financial district.

High Australian Rates Seen

Reuters

CANBERRA — Representatives of two Australian banks that last week reported weak earnings linked to borrowers' problems with their debts said Sunday that there was little chance of the country's interest rates falling soon.

Stuart Fowler, managing director of Westpac Banking Corp. said in a television interview, "Interest [rates] can't expect to fall very much further."

He said the economy was slowing but would not say Australia was in a recession.

Nobby Clark, managing director of National Australia Bank Ltd., said in the same interview that Australia had severe problems "in terms of credit quality."

He said that though he did not expect interest rates to rise in the coming months, "that's a scenario I think is highly likely, or probable, next year."

Following some easing of monetary policy, commercial interest rates have fallen some two percentage points in the last two months, to about 15.5 percent.

Both banks said last week that bad debts and provisions for debt were affecting their financial performances.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in *local currencies unless* otherwise indicated.

Belgium

Bruxelles Lambert

1st Half	1990	1989
Profits	5,120.	5,110.

Full name of company is Banque Bruxelles Lambert.

Britain

BOC Group

1st Half	1990	1989
Revenue	1,420.	1,230.
Pretax Net	170.10	151.60
Per Share	0.228	0.2114

Grand Metropolitan

1st Half	1990	1989
Revenue	4,970.	4,040.
Pretax Net	409.00	301.00
Per Share	0.286	0.229

Hanson

1st Half	1990	1989
Revenue	3,640.	3,770.
Pretax Net	570.00	447.00
Per Share	0.09	0.086

Ultramar

1st Quar.	1990	1989
Revenue	475.00	388.00
Pretax Net	42.00	55.70
Per Share	0.05	0.085

Whitbread

Year	1989	1988
Revenue	2,490.	2,260.
Profit	260.20	223.20
Per Share	0.4281	0.3601

Britain/Neth.

Royal Dutch/Shell

1st Quar.	1990	1989
Revenue	17,550.	14,530.
Profits	816.00	1,280.
Per Share A	0.091	0.143
Per Share B	3.03	5.80

A: per share results of Shell Transport & Trading PLC in sterling; B: per share results of Royal Dutch NV in guilders. All other results in sterling.

Unilever

1st Quar.	1990	1989
Revenue	4,120.	4,520.
Pretax Net	366.00	348.00
Per Share A	0.1282	0.1409
Per Share B	2.57	2.53

A: per share results of Unilever PLC in sterling; B: per share results of Unilever NV in guilders. All other results in sterling.

Canada

Ivaco

1st Quar.	1990	1989
Revenue	510.70	510.70
Profits	6.69	4.81
Per Share	0.05	0.06

Thomson Corp.

1st Quar.	1990	1989
Revenue	1,051.	977.00
Oper Net	8.55	34.00
Oper Share	0.01	0.04

Spain

Repsol

1st Quar.	1990	1989
Profits	17,530.	17,810.
Per Share	58.00	60.00

Sweden

Electrolux

1st Quar.	1990	1989
Revenue	21,305.	21,142.
Profit	511.00	871.00
Per Share	3.90	7.20

Volvo

1st Quar.	1990	1989
Revenue	21,675.	23,067.
Profit	1,062.	1,997.
Per Share	9.50	19.70

United States

Campbell Soup

3rd Quar.	1990	1989
Revenue	1,530.	1,450.
Net Inc.	54.60	43.50
Per Share	0.42	0.34
9 Months	1990	1989
Revenue	4,770.	4,370.
Net Inc.	242.80	207.80
Per Share	1.87	1.61

Dresser Industries

2nd Quar.	1990	1989
Revenue	1,050.	1,020.
Oper Net	42.10	34.00
Oper Share	0.39	0.30
1st Half	1990	1989
Revenue	1,930.	1,840.
Oper Net	58.90	54.90
Oper Share	0.56	0.53

Hewlett-Packard

2nd Quar.	1990	1989
Revenue	3,310.	2,870.
Net Inc.	186.00	203.00
Per Share	0.78	0.86
1st Half	1990	1989
Revenue	6,410.	5,520.
Net Inc.	359.00	396.00
Per Share	1.50	1.69

Hormel (Geo. A)

2nd Quar.	1990	1989
Revenue	633.18	526.30
Net Inc.	13.80	9.83
Per Share	0.18	0.13
1st Half	1990	1989
Revenue	1,250.	1,080.
Net Inc.	28.20	21.80
Per Share	0.37	0.31

Per share results adjusted for 2-for-1 split.

May Department Stores

1st Quar.	1990	1989
Revenue	2,190.	2,800.
Net Inc.	68.00	43.00
Per Share	0.51	0.45

1989 net includes loss of $1 million.

Navistar Int'l

2nd Quar.	1990	1989
Revenue	1,030.	1,140.
Net Inc.	8.00	35.00
Per Share	0.01	0.11
1st Half	1990	1989
Revenue	1,910.	2,150.
Net Inc.	(a)10.00	72.00

a: loss.

Penney (J.C.)

1st Quar.	1990	1989
Revenue	3,800.	3,580.
Net Inc.	154.00	128.00
Per Share	1.21	0.97

1989 net includes charge of $20 million. Results restated.

Southland

1st Quar.	1990	1989
Revenue	1,840.	1,520.
Net Loss	69.40	189.40

Nets include gains of $52 million vs $17.3 million and charge of $36 million.

West Germany

Daimler-Benz

Year	1989	1988
Revenue	76,390.	73,500.
Profits	6,810.	1,700.

Mannesmann

Year	1989	1988
Revenue	22,300.	20,400.
Profits	585.00	292.00

Veba

1st Quar.	1990	1989
Revenue	13,150.	11,730.
Profits	237.00	225.00

SCIENCE
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San Miguel Profit Tumbles by 27%

Agence France-Presse

MANILA — San Miguel Corp., the largest private company in the Philippines, reported over the weekend that its net income plunged by 21.7 percent in the first quarter.

The diversified brewer said consolidated net income *dropped to* 441 million pesos ($19.5 million) in the first quarter, down from 563 million pesos in the same period in 1989. This profit decline came despite a 20.4 percent increase in sales to 6.57 billion pesos during the period.

The company attributed the lower profitability to salary increases, higher costs for raw materials and fuel, a *series of strikes* and to the daily power outages that hit Manila beginning in March. Higher interest rates also hurt, the company said.

Inflation and Deficit Fears Hit Prices

Compiled by Our Staff From Dispatches

NEW YORK — Treasury bond prices fell in erratic trading last week as recent gains were eroded by inflation and deficit fears.

The bellwether 30-year government bond, due May 2015, fell ⅝ point, to 100 17/32. Its yield rose to 8.70 percent from 8.64 percent.

After having been boosted in recent weeks by an outlook for a weakening economy and thus lower interest rates, the market grew concerned about some of the negative factors associated with a slowdown, including the U.S. budget deficit situation and a weak dollar.

On Friday, the Federal Reserve Board added to the problems by unexpectedly signaling it was not about to loosen credit restrictions.

Not only did this dampen hopes among market participants for lower interest rates, but the central bank's move came at a time when investors in debt securities were becoming increasingly concerned about the slow pace of talks between the administration and Congress on cutting the budget deficit.

The central bank drained cash from the banking system on Friday, putting upward pressure on interest rates. The Fed entered the market when the federal funds rate was trading at 8.188 percent, below what had been perceived as the Fed's target of 8.25 percent. But the fed funds rate, the charge on overnight interbank loans that is the most immediately affected by the operations of the central bank, ended the week at 8.188, below the 8.25 percent of the previous Friday.

U.S. CREDIT MARKETS

The Fed also intervened on Thursday, when the federal funds rate was 8.125 percent. After its move that day, the rate had returned to 8.25 percent.

Earlier in the week, Treasury bonds slipped when the dollar eased against the yen. Tokyo investors, who stood to sustain paper losses on bond holdings as the exchange rate shifted, sold heavily.

Government statistics last week confirming a scenario of an economic slowdown and reduced inflation did not inspire investors.

William Melton, chief economist with IDS Financial Services in *Minneapolis,* said, "What people are worrying about these days has a lot more to do with budget summits than statistics."

Estimates of the deficit for the 1991 fiscal year range from $108 billion to $186 billion. Mr. Melton said negotiators were in fact looking for a "slide-by budget" involving spending cuts of no more than $30 billion — not enough to impress financial markets.

Against the backdrop of deficit parlays, there was also concern about an underlying annual inflation rate of around 4.5 percent.

The government said Wednesday that consumer prices rose just 0.2 percent in April, compared with 0.5 percent in the previous two months and 1.1 percent in January, as a cold weather-related spike flattened out. *(UPI, NYT)*

BANKS: *Lending Curbed*

(Continued from first finance page)

Alan Greenspan, Federal Reserve Board chairman; L. William Seidman, chairman of Federal Deposit Insurance Corp., and Robert L. Clarke, comptroller of the currency.

The regulators stressed they wanted prudent lending to continue, hoping to prevent a significant economic slowdown that would occur if many bankers stopped making loans to mid-sized businesses.

The survey, which was completed before the meeting, appears to buttress the regulators' actions. It also underscores concerns by some analysts that in the face of a softening economy, the Fed's monetary policy has been too restrictive.

They say that if Fed officials cannot persuade the banking industry to continue making credit available, the central bank may face the unwanted chore of sharply lowering interest rates to keep the economy from entering a recession.

In the minutes of the March 27 meeting of the Federal Open Market Committee, which were released Friday, panel members were reporting concern in the banking industry about a tightening of credit, but they did not seem very worried. The FOMC, which makes central bank policy, comprises the seven Fed governors and five presidents of regional Federal Reserve Banks.

The Fed survey of banks found a tightening of lending procedures.

"More than one-half of the respondents indicated that they had moved to make loan covenants more stringent since late 1989, and a similar number reported that they had *tightened collateral requirements,"* the report said.

Euromarts At a Glance

Eurobond Yields

	May 16	May 9
U.S. $, 8 yrs & over	9.56	9.65
U.S. $, 5 to 7 yrs	9.71	9.76
U.S. $, less than 5 yrs	9.82	9.70
Pounds sterling, less than 5 yrs	14.50	14.29
French francs, less than 5 yrs	10.55	10.33
Ital. lire, less than 5 yrs	12.38	12.40
Danish kroner, less than 5 yrs	10.80	10.88
ECU, 8 yrs & over	10.55	10.62
ECU, 5 to 7 yrs	10.60	10.44
Can. $, less than 5 yrs	13.32	13.24
Aus. $, less than 5 yrs	15.36	15.29
N.Z. $, less than 5 yrs	13.26	13.40
Yen, 5 to 7 yrs	7.54	7.54
Yen, less than 5 yrs	7.42	7.41

Source: Luxembourg Stock Exchange.

Weekly Sales *May 17*

Primary Market

	Cedel		Euroclear	
	$	Non$	$	Non$
Straights	14.50	534.00	322.50	1,271.00
Convert.	—	—	—	—
FRNs	108.80	16.00	937.00	289.30
ECP	4,158.20	781.90	10,374.60	1,614.80
Total	4,272.70	1,351.90	11,634.10	3,094.30

Secondary Market

	Cedel		Euroclear	
	$	Non$	$	Non$
Straights	4,054.20	9,285.50	11,462.70	9,522.70
Convert.	157.50	413.40	545.00	319.30
FRNs	2,552.80	1,524.10	4,598.70	3,475.70
ECP	3,462.50	1,644.20	3,458.90	4,638.80
Total	10,427.00	12,869.20	20,565.30	17,956.90

Source: Euroclear, Cedel.

Libor Rates *May 18*

	1-month	3-month	6-month
U.S. $	8 5/16	8 7/16	8 9/16
Deutsche mark	8	8¼	8½
Pound sterling	15	15⅛	15⅛
French franc	9 11/16	9 13/16	9 15/16
ECU	10 3/16	10⅜	10 9/16
Yen	7⅛	7 7/16	7⅛

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds

May 18

Maturity	Close Bid	Ask	Yield	Wk-ago yield
30.04.92	100 15/32	100 17/32	8.60	8.55
15.05.93	99 29/32	99 31/32	8.66	8.59
31.03.94	99 9/32	99 11/32	8.72	8.63
15.05.95	99	99 2/32	8.73	8.64
15.01.97	98 17/32	98 19/32	8.77	8.69
15.05.00	100 26/32	100 28/32	8.75	8.66
15.02.06	104 18/32	104 22/32	8.83	8.76
15.05.20	100 14/32	100 16/32	8.70	8.64

Source: Salomon Inc.

U.S. Consumer Rates

May 18

Tax Exempt Bonds Bond Buyer 20-Bond Index	n.a. %
Money Market Funds Donoghue's 7-Day Average	6.05 %
Bank Money Market Accounts Bank Rate Monitor Index	6.65 %
Home Mortgage, FHLB average	10.17 %

Source : New York Times.

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Italy Rate Cut Expected To Ease EMS Tensions

Reuters

MILAN — Italy's decision to cut its discount rate by one percentage point may bring several benefits, analysts say, such as giving a boost to sagging exports, reducing tension in the European Monetary System and moving domestic interest rates more into line with other industrial countries.

"It is comforting news for the economy," said Ernesto Paolillo, foreign-exchange manager at Banco Lariano.

The Treasury, acting jointly with the Bank of Italy, announced the rate cut, to 12.5 percent, on Saturday. It takes effect on Monday.

The move had been widely expected following Friday's approval by the cabinet of a package of measures aimed at meeting the government's 1990 deficit target of about 133 trillion lire ($109.62 billion), but most analysts had been forecasting a half-point fall.

"A one-point cut is a clear signal by authorities to try and bring Italian rates more into line with other countries," said Virginio Tavecchio, president of the Italian Forex Association.

The Treasury said in a statement on Saturday that the cut was aimed at easing the tension in the EMS caused by the lira's strength and to reduce Italian interest-rate differentials.

The Bank of Italy has been forced to intervene several times recently at the official Milan fixing to brake the lira's rise, buying large amounts of Deutsche marks.

"It will make the lira a little less appealing," Mr. Paolillo said, adding: "It should help the competitiveness of industry. The cost of money will be more European."

At 12.5 percent, Italy's discount rate will still be more than twice the 6 percent rate in both West Germany and Switzerland and slightly higher than Belgium's 10.25 percent rate. High domestic rates have attracted strong capital flows into the country since the lira moved to the 2.25 percent EMS fluctuation band in January.

"The rate decision has to be seen as positive when you think that we just entered the liberalization phase," Mr. Tavecchio said, referring to Italy's recent move to lift its remaining exchange controls.

WALL STREET REVIEW

Figures as of close of trading Friday, May 18.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Alcan	233385	22⅛	20¾	21	—⅜
PhilMr s	118910	45⅝	43½	43¾	—½
TexUtil	105145	37¼	36⅛	36½	+⅛
FdNM s	97950	40⅝	36⅝	39½	+¾
GenEl	90071	69¼	67⅜	68⅛	
IBM	82509	116¼	113⅜	115⅝	+1⅜
AT&T	85305	43¾	41⅜	43½	+1¼
AmExp	81184	30¾	29	29⅞	+⅜
Exxon	81046	48⅝	47¼	47⅝	—⅛
BrMySq	74435	60½	58⅛	59⅛	—1
duPont s	71982	41½	38½	40¼	+1⅛
GnMotr	71461	49¼	47	47⅞	+⅝
HewlPk	65973	49	44½	45¼	—1⅜
CocaCl s	63794	43	41½	42½	+1
AMD	57307	10⅛	9⅝	10⅛	+⅜
vlCircK	57209	2	1	1⅜	—⅜
PrimeM	53965	14	11½	13¾	+2⅜
McDnl s	53860	33	31⅝	32⅝	+⅛
Waste s	52431	39¼	37½	38⅝	+⅜
Upjohn	51447	39⅜	38⅛	39⅛	+¼
Citicorp	51304	24⅛	23⅛	23¾	—¼
FNMwt s	50000	25⅞	21⅞	24⅝	+⅝
USX	49883	34¼	33¼	33⅝	+⅜
SaraL s	49777	29½	27½	28⅛	+⅛
Merck	48914	79⅝	77⅛	79¼	+2

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT In	38617	12	11½	11⅝	+⅜
ENSCO	33919	5¼	4⅞	4⅞	+¼
PW Nk cw	21294	5¼	4⅝	4⅞	—¼
Hilhav n	16275	1⅛	1	1⅛	+⅛
EchoBy	14485	13	12	13	+¾
Amdhl	14143	16⅛	14⅝	16⅛	+1⅜
AT&E	12171	19½	16½	18⅝	+1⅛
FruitL	12082	14⅛	13¾	14	
Diasonc	11030	3⅝	3⅛	3¼	—⅛
WangB	10675	4⅝	4	4⅛	—⅛
HomeSh	10603	7⅝	6⅝	7¼	+⅛
SNk I93wt	10148	7⅜	6⅝	7⅛	+½
WDigitl	9901	12⅞	12⅛	12¾	+½
Telesph	9697	6¼	5⅝	6	+⅜
SNk 93cwt	9379	4⅛	3⅝	3⅝	—½
ArWat n	8884	26½	24⅞	25¼	+¾
Nortnk	8746	13	12¼	12⅝	—¼
TexAir	8712	7⅛	6⅞	7	—⅛
ICH	7608	3⅝	3½	3⅝	
Withrd	7520	7¾	6⅞	7½	+¼
A-aff2 sc	7206	16	14⅝	15⅞	+1
ChevSft	7172	6¾	5½	6½	+¾
NY Tim	6948	23⅝	22	22½	—1½
JanBell	6808	10¼	8⅝	9⅝	—1⅛
CarnCr	6631	22⅝	20⅛	22½	+1¾

NYSE Sales

	Sales Vol.
Total for week	878,240,000
Week ago	821,710,000
Year ago	963,550,000
Two years ago	784,040,000
Jan 1 to date	15,117,365,000
1989 to date	16,073,420,000
1988 to date	16,806,700,000

AMEX Sales

	Sales Vol.
Total for week	69,670,000
Week ago	69,430,000
Year ago	63,720,000
Jan 1 to date	1,379,880,000
1989 to date	1,101,160,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1113	1379
Declined	810	549
Unchanged	284	266
Total Issues	2207	2194
New Highs	178	115
New Lows	126	147

AMEX Diaries

	This Wk	Last Wk
Advanced	420	472
Declined	373	324
Unchanged	206	197
Total Issues	999	993
New Highs	60	53
New Lows	68	75

CVS DIAMOND* BASE CONSUMER SELLING PRICE — W.E. 18/5/90

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CLEAN, H COLOR, EXCELLENT MAKE 1 POINTERS, DIAMOND SETTINGS.	1.00 0.75 0.50 0.25	2,560 1,920 1,280 640

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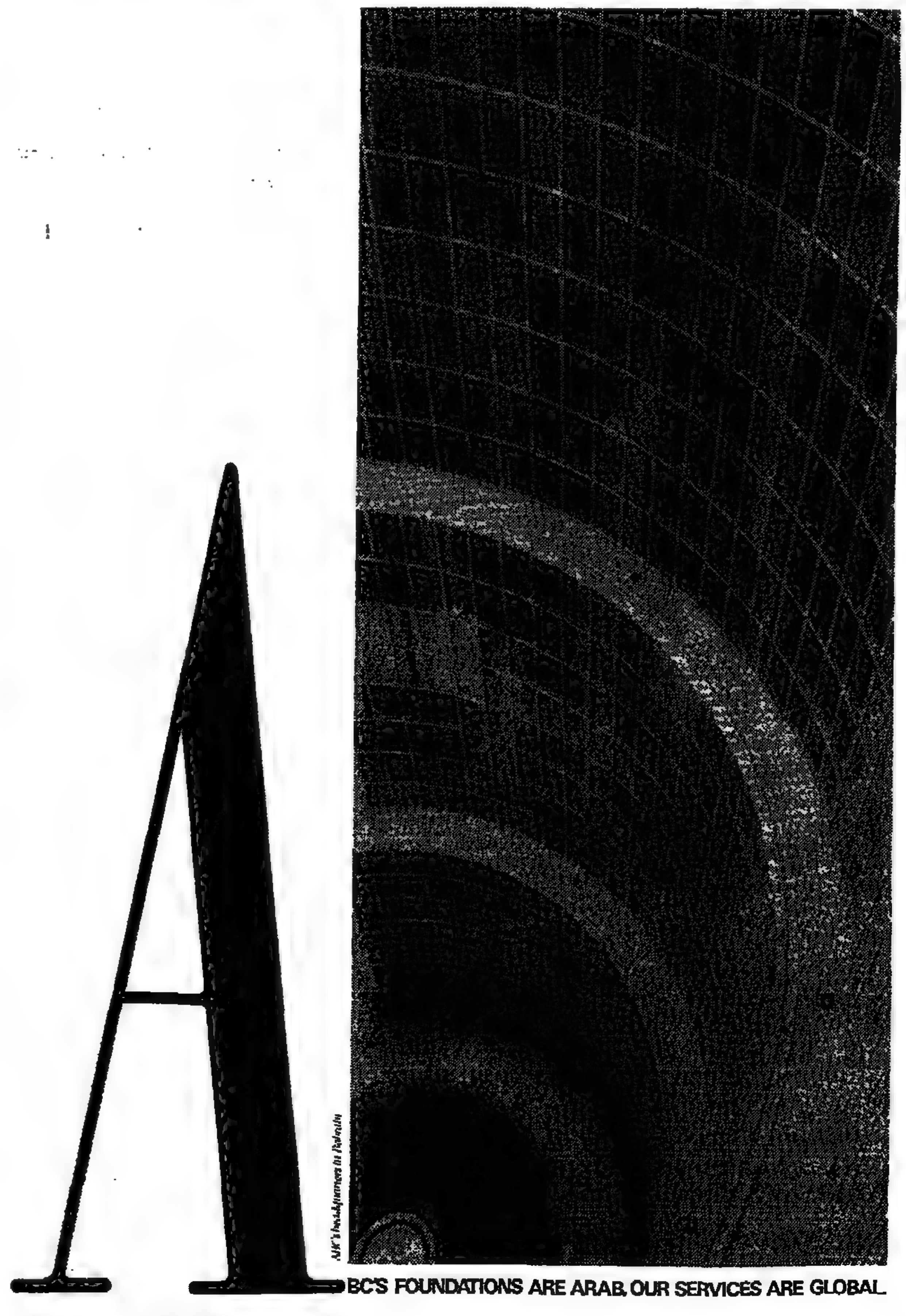

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 18.

A

			Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			6276	32	30	30¼	—1½
ABS	.32	4.1	350	8¼	7¾	7¾	
ACC Cp	.16	1.1	6282	14⅝	12½	14⅛	+1⅝
ADC			1534	24¾	22¾	24	
ADT			16253	30⅝	29	30¼	+1
AEL			55	5	4¾	5	
AEP s			183	14½	14	14½	+ ½
ALC h			1242	⅞	¾	⅞	
ASK			4960	9¾	8⅝	9½	+ ½
AST			13977	23⅝	21⅞	23½	+ ¼
AamRt	.10	1.0	47	10¼	10	10¼	+ ¼
AbingB	.16	3.0	35	5¼	4⅝	5¼	+ ¼
AbeLinc			44	7⅝	7¼	7½	— ¼
Acadin			2444	1			
Accel	†		99	7¾	7½	7½	— ¼
Aclaim s			12294	12	11	12	+ ⅜
Acl wtB			3885	3½	3	3⅜	+ ⅞
Aceto	.14b	1.0	356	15¼	14¼	14¼	— ¼
ACMT			26	13¼	12	12½	+ ½
Acmi a			9	10	10	10	
AcmeSt			430	17¾	17¼	17¼	— ½
ActARt	†		2372	7⅝	6⅛	7⅝	+1⅛
ActnSv	.32b	10.7	1597	4¼	2	3	— ⅝
ActAuSt			54	1¾	1½	1½	
Acxiom			413	22	21¼	21½	—1½
AdacLb	.04f		5098	1⅜	1¼	1⅜	— ⅛
Adage			519	1⅛	⅞	1⅛	+
Adapt			13074	20	17⅜	20	+2⅜
Adinet s			11752	19¾	16⅜	18½	—1
AdiaSv	.16	.7	578	23¼	22	22	
AdobeS	.21e	.5	17253	46½	44¼	45½	+1
Adtec			4181	3⅞	2⅝	3½	+ ¾
AdvCir s			4696	10	9⅛	9⅝	— ⅛
AdvRos			486	11¼	10¾	10¾	— ¼
AdvMag			210	14½	13	13¼	+ ¾
AdMkSv			4589	5½	4½	5¼	
AdvPoly			5275	5⅝	4⅝	5½	+1
AdvSem			480	6⅛	5¾	5¾	— ⅛
AdvTel			7772	20¼	19	20	+ ½
Advanta	.10	.8	5269	12⅝	10¾	12⅝	+1½
AdvoSv			3618	11½	10⅝	11¼	+ ⅞
Aequitrn			600	2⅝	2⅜	2¼	— ⅛
Aegon	1.39e	2.0	230	69¾	68	69	+1⅞
AerSys			125	¾		⅝	+ ⅛
Aerovx			4619	4⅝	4¼	4¼	— ¼
AfiBcCp	.32	7.5	553	4⅝	4¼	4¼	— ⅛
AfiBsh			2698	11¾	11	11¾	+ ¾
AgncyR	†		9546	14¼	13	13⅝	+ ⅝
Agnico s	.20	2.6	1422	7⅝	6⅝	7⅝	+ ¾
Agouron			118	8¾	8¼	8¾	+ ½
AirMd			1062	5¼	5⅛	5¼	
AirWisc	†		791	10⅝	10⅛	10⅛	— ½
Airind			15	1⅛	1⅛	1⅛	— ⅛
Airtran	.16	2.0	404	8	7⅝	7⅞	— ⅛
Akorn	.07e	4.3	144	1⅞	1⅝	1⅝	
Akzo	1.67e	5.3	1976	32⅞	31¾	31¾	—1⅛
AlamBc	.60a	2.4	127	25¾	24½	24½	—1¼
Alaten	1.10	9.8	1322	11¼	10⅞	11¼	— ⅛
Aldus			10168	26½	24¼	26¼	+1¼
AlexBr	.22	1.6	4870	13⅞	11½	13⅝	+1⅝

			Sales in 100s	High	Low	Close	Net Ch'ge
AmNurs			82	3⅛	3	3	
AmPac			2760	13⅝	12⅝	13	+ ¼
APhyG			17	1⅝	1⅝	1⅝	
AmPion			33	⅝	½	⅝	+ ⅛
APwC s			1872	35⅛	33	34½	+1⅜
AReliaan	.44	4.5	133	10⅛	9⅝	9⅝	— ½
ARepBc	.10e	1.3	54	7⅝	7⅜	7⅝	
AmRice			70	1⅛	⅞	1⅛	+ ⅛
ASoft	.32	1.4	4680	23½	21⅝	23¼	+1⅜
AmStl			703	7⅛	6¼	6¾	— ½
ATvCm			11278	38¼	34¾	37⅛	+1⅜
ATrav s			8391	17⅛	14¼	17	+2⅜
AVans	.05e	.8	20	8	6½	6½	— ½
AWood			2767	7¼	6⅝	7	— ⅛
AmAll	.30e	7.5	494	4¼	3⅞	4	
AmFtBk			2879	2⅝	1⅞	2	— ⅝
Amerltr	1.28	7.0	10789	18⅜	17	18⅛	+1⅛
vlAmrtk			1	¼	¼	¼	
Amgen			16357	69⅝	64⅝	69¼	+4⅛
AmtyBc	.20b	3.6	41	5⅝	5⅝	5⅝	
AmskBk			850	3⅛	2⅞	2⅞	— ⅛
Amoskg	.60a	2.4	2	25	25	25	+2
Ampicl			599	7	6⅞	7	— ⅛
Amserv			491	4⅞	4⅝	4⅞	+ ⅛
AmtcCp			959	17	15½	16	—1
Amvest	.20	5.0	1246	4	3¾	4	+ ⅛
Anlogic			1010	9⅝	9½	9⅝	
AnalyTc	.17	1.7	29	9⅞	9⅛	9¾	+ ½
Analy s	.48	2.4	823	18½	17¾	18¼	+ ½
Anangel	1.40e	12.7	1247	13⅛	12⅞	12⅞	— ⅜
Anaren			470	3	2⅞	2⅞	— ⅛
AnchSv			1175	1⅞	1⅝	1⅝	— ⅛
AndrGr			36	8½	7½	7½	— ¼
AndvBc	.80	10.3	1734	7⅞	7⅜	7¾	+ ⅛
AndvTg			72	3¼	2⅞	3	— ⅛
Andrew			1240	24	22½	22½	—1½
Andros			2932	11⅜	10¼	11⅜	+ ⅛
ApogEn	.24	1.5	489	16⅝	15¾	16⅛	
AppleC	.44	1.1	78136	42⅛	39½	39⅞	—2⅞
Aplebee			2486	17¼	15⅝	16⅛	+ ⅜
ABiosci			1680	20½	19⅝	20⅝	+1⅞
ApldBio			4912	12⅝	11½	12⅛	+ ¾
ApldMt			25958	35	30⅛	33½	+3⅛
ApldP s	.12	.4	7221	27¼	24⅝	26⅝	+ ¼
ApldSir			239	7	6⅛	6½	
ArabSh			99	1¾	1⅝	1⅝	+ ⅛
Archive			11201	12⅝	11⅛	12⅛	+1
Arbor s	.16	.8	1342	20⅛	19½	19⅞	— ¼
Arden			1569	[illegible]	58½	59	
ArgoGp	1.60	2.1	437	76	72½	74½	+2
Aritch			742	12⅛	11	11	— ½
ARIX			1631	1½	1⅛	1⅛	— ⅛
Arixinst			3102	4¼	3⅛	4⅛	+ ⅛
ArkaFt			584	21	19⅞	20½	+ ½
Armor	.64	4.2	2933	15½	14⅛	15¼	— ⅛
Arnold	1.00	2.9	83	35¼	34½	34½	
ArowBk	.68	4.7	40	14⅝	13½	14⅝	+ ⅛
Artel			6486	6½	4⅝	6⅛	+ ⅜
ArtWay	.40	4.7	161x	9	8½	8½	— ⅛
Ashton			12799	12⅝	11⅝	12⅛	
Asiamr	†		10075	8⅛	3½	4	—4½
AspctTl			3434	16½	15⅜	16⅛	+ ½
AspenR			333	2⅞	2½	2⅞	— ⅛
Assix			825	7⅞	7⅛	7⅜	+ ⅛
Assix wt			519	2⅝	2⅛	2⅜	+ ⅛
AsdBnc	.72	3.3	229	21⅞	21¼	21⅞	+ ⅛
AsdCmA			567	29⅝	27⅝	29⅝	+1⅝
AsdCmB			554	30	28	30	+2⅝
Astec			249	5⅝	5	5	— ½
AstrM s			56	8¼	7⅝	8¼	+ ⅜
Astrcm			57	1⅛			—
Astron			128	1		⅞	+
Astrosy			273	3⅝	3⅛	3⅛	— ½
Atek			207	3⅝	3½	3½	— ½
Athey	.10r	1.1	35	9⅝	9¼	9¼	— ¼
AtlcoF	.20	2.4	49	9⅛	8⅛	8¼	— ⅜
Atkinsn	.48	3.2	1828	15⅝	14½	15	— ½
Atlnfd	.40	3.6	7	11¼	11¼	11¼	— ¼
AtlAm			573	2	1⅝	1⅝	— ⅛
AtlSeAr	.50	2.7	1120	18⅝	17⅝	18⅛	+ ⅜
Atwood	.32e	2.0	1410	40⅛	34⅝	40⅛	+5½
AtwdOc			3008	19⅝	18	19⅝	+1⅛
AutTrT			48	3	2⅞	3	+ ¼
Autoclv	.20b	2.0	74	10⅛	10	10¼	+ ½
Autodk	.20e	.4	8739	50½	48	50⅛	+2
Autodie			69	8⅝	8	8	— ½
Autoinf			1420	4⅝	4½	4⅝	+ ⅛
AutoSv			397	7⅛	6⅝	7⅛	+ ⅛
AutoCp			266	13	9⅝	10⅛	+ ⅜
Avntek			1261	3⅝	2⅝	3	— ⅞
Avatar			365	22½	22	22½	— ⅛
Avndle	.92	9.8	2499	9⅝	9⅛	9⅝	
Aziar			20909	6⅝	6¼	6⅝	
AztcM	.10	1.9	729	5½	5	5¼	+ ¼

B

			Sales in 100s	High	Low	Close	Net Ch'ge
BB&T s	.80	4.3	347	20	19	19¼	— ⅜
BH Bulk	1.51e	33.6	1766	4⅝	4	4½	— ⅜
BEI El	.08e	1.3	1418x	6⅛	5⅝	6	+ ⅛
BEI			905	3⅛	2	2⅝	+ ⅛
BF Ent			65	5⅜	5	5	
BFS NY			246	9⅛	8⅝	9	+ ¼
BGS	.40a	2.1	1831	19½	14	19	+4⅝
BHA			804	22⅛	20	21	+ ½
BHA B			563	22½	20½	21⅛	+1
BKLA	†		20	8½	7⅞	8½	+ ⅜
BMA	1.20	3.7	959	34	32¼	32½	—1½
BMC Sts			5514	25⅝	22¾	24	+1¼
BMJ	.60	5.3	94	12⅛	11¼	11¼	—1¼
BMR Fn			174	8	7½	7½	
BNH	.24	4.4	128	5⅝	5	5½	
BSB Bcp	.60	4.4	871	14	13¼	13½	+ ¼
BT Fin	.80	5.3	79	15	14⅞	15	
BT Shp			242	12½	11⅞	11⅞	— ⅜
BTR	.08	1.4	263	5⅝	5½	5⅝	+ ⅛
BTU Int			481	3⅞	3	3	— ½
Babage			1892	6⅝	4⅞	6½	+1⅛
Badger	.48a	2.8	30	17½	16⅝	17⅝	— ⅛
Bailey			80	1⅝	1¼	1¼	— ⅛
BakerJ	.06	.4	5922	15	13⅝	14⅝	+1¼
Balchm	.03	.8	20	4	4	4	— ⅛
BldLyB	.30	1.4	41	20⅞	20	20⅞	+ ⅜
BaldPia			1832	9	8¼	8⅝	+ ⅜
Balord	.10	.4	1349	25	23⅝	24½	+ ½
Baltek	.15	1.7	12	8⅝	8½	8⅝	

			Sales in 100s	High	Low	Close	Net Ch'ge
BingKg			244	2	2½	2½	
Biogn wt			107	6¾	6	6½	— ¼
BioLog			184	6	5⅝	5¾	
BiMedc			23257	20⅞	16⅜	20⅝	+4
Biogen			13876	19¼	17½	18⅞	+1⅛
Biogn pf	2.12	6.4	1242	33¾	31⅞	33¼	+1¼
Biomet			4073	27½	25¾	27	— ¼
Biosph			93	5	4⅝	4⅝	
BiotcR			251	3⅞	3¾	3¾	
BioTInt			196	4⅛	3¾	4	+ ⅛
Birdinc			114	11⅝	11	11¼	+ ¼
Birtchr			48	4¾	4½	4½	+ ⅛
BizMrt			2431	16⅜	15	16	
Blackl	.30e	3.0	179	10⅛	9⅝	9⅞	
Blair			45	3	2¾	2¾	— ⅛
BlisLav			25	5⅜	5¾	5⅜	+ ¼
BlocDv			6517	8⅝	8⅛	8¼	— ¼
BlckD	.70b	2.0	596	34¾	33⅝	34¾	+ ⅛
BRdg un			450	11⅛	10¼	11	+ ½
BoatBn	2.12	6.7	7150	32⅛	30⅞	31⅝	+ ¾
BobEvn	.26b	2.1	6483	12⅝	11⅝	12½	+ ½
Bogert			295	12⅝	12½	12⅝	+ ⅛
Bohema	.20b	1.3	2061	16½	15¾	16	— ¼
BonvlP			3040	7⅛	6½	6⅝	— ¼
BooleB			1575	19	17¾	18⅝	+ ⅝
BoonEl			14	2⅞	2⅝	2⅞	+ ⅞
Borel	.33r	6.1	43	5⅝	5⅜	5⅝	+ ⅛
Borlnd			11593	17⅛	15⅝	16½	+ ¾
BostAc			407	22¼	20¾	22	+1¾
BostBc	.60	4.2	1285	14⅝	13⅝	14⅛	— ⅛
BstnDig			26	2⅞	2⅝	2⅞	— ⅞
BstnFB	.12l		1112	5⅝	5	5⅝	+ ⅜
BostTc s			5669	5¼	4⅝	5	
BlvdBc	.48	2.7	440	19½	16⅝	17½	—1⅞
BradyW	.40	1.2	217	34¾	33⅝	34⅝	+ ⅛
Branire	.36	5.0	63	7¼	6⅞	7¼	+ ¾
Braids			94	3¼	2¾	3	
Brand			1749	35¼	32⅝	35	+2¾
Brandn	.24	2.7	2	8⅝	8¾	8⅝	+ ¼
BrnfdSv	.15l		25	7⅜	7	7	— ½
Brkwt g			936	1⅞	1⅝	1⅞	+ ⅛
Brenco	.20	2.9	1189	7⅛	7	7	— ⅛
Brendle			7	6⅝	6¼	6¼	
BrdgF s	.20	1.0	15	20½	19½	20⅛	+ ⅛
BritteV			1592	5½	5	5¼	— ¼
BroadN	.58r	4.5	2	13	13	13	— ¼
BdwyFn	.48	7.1	10	7¼	6¾	6¾	— ½
Brkfld	1.00	2.9	7	35	35	35	—5
BklynSv			217	1¼	1	1⅛	+ ⅛
BrTom			197	6	5⅝	6	+ ½
Brunos	.14	1.0	8368	13⅞	13⅜	13⅝	+ ¼
BrynMw	1.52	4.9	18	33	31	31¼	—1½
BckyFn			84	8¾	8½	8½	
Buffet s			3784	22	21	21¼	— ⅛
BuildT			244	12	11½	11½	
BulBear			67	2⅝	2⅜	2½	— ⅛
BullRGd			1513	⅝	⅜	½	
BurnpS			1269	14⅛	13⅛	13⅜	— ¾
BurrBr			2333	11½	10	10⅝	+ ¾
Burrit	.08r	.8	188	11	10¼	10½	— ⅛
BusnRc			286	11½	11⅛	11⅛	— ¼
ButlrMf	20.00e		476	14⅛	13½	13¾	— ¼
Bytex			2752	10⅛	9⅛	10⅛	+ ⅜

C

			Sales in 100s	High	Low	Close	Net Ch'ge
CB T s	.48	3.7	37	13⅜	13	13	

			Sales in 100s	High	Low	Close	Net Ch'ge
CardFn	.50	4.2	6	12	11¾	12	— ½
CarePls			7081	17¼	15⅝	17⅛	+1⅝
CreP wtA			156	2⅝	2½	2⅝	+ ¼
CarlCm	.34e	1.9	4278	19	17⅝	18⅛	
Carmik			1822	15	14⅛	14½	— ⅛
CaroBcp	.28	2.8	120	14¼	13½	13⅝	
Cartngtn			2360	26	23⅝	24⅛	— ⅛
Carver			397	4⅛	4	4⅛	
Cascde s	.60a	3.1	453	19¼	18⅝	19¼	+ ½
Casclnt	†		7672	2⅝	2⅛	2⅛	— ⅛
Caseys			1405	9¼	8⅝	8⅞	— ⅜
CastlEn	.06e	.5	153	13⅛	13⅛	13⅛	— ⅜
vlCosM			731	½	⅜	½	
CataCp	.08	3.8	210	2⅜	2⅛	2⅛	— ⅛
Celgene			1693	6⅝	5⅞	5⅞	—1
CellTch			4532	1⅞	1⅝	1⅞	+ ⅛
Celcm s			724	4⅝	3⅞	4¼	+ ⅛
CellCm			19222	34¼	32⅛	33⅜	+1⅛
Celrin			4301	15⅛	14¼	14⅝	— ⅛
Cellrinf			2310	7⅛	6¼	6⅞	+ ⅜
Cencor			325	2	1⅞	1⅞	
CntlSB	.40	3.8	1	10½	10½	10½	+1⅛
CtrBnk	.36	5.1	44	7⅛	6½	7	
Centrbk			1891	5⅝	5½	5⅝	+ ⅛
CentxTl			10416	21⅜	19⅜	20	—1⅝
Centcor			20788	38⅛	35⅝	38	+1⅜
CtlSou	.36e	6.0	177	7	6	6	
CnBsh	.80	5.8	434	14	13⅜	13⅝	+ ⅜
CnBSy h			495	2¼	1⅞	2⅛	+ ⅛
CtrCOp			415	5½	5⅛	5⅛	— ¼
CFldBk	1.40	4.9	2590	28⅝	27⅞	28⅝	+ ⅛
CtrlHld			228	2⅝	1⅞	1⅞	— ⅝
CJerBc	.90	6.5	569	14⅜	13⅜	13⅞	— ⅛
CJerFn	.36	4.6	24	7⅝	7⅝	7⅝	
CPaFin	.40b	3.3	8	12½	11	12½	+ ⅜
CRsLfe	.28	7.0	272	4	3⅞	4	+ ⅛
CnSprn			450	22½	21¼	22	
Centuri			534	1⅞	1⅝	1⅝	
CntGld			315	⅝	½	½	— ⅛
CntyBc	.30	10.0	664	3	2⅝	3	+ ⅛
CtrySo	.03e	.4	62	8⅛	7⅞	7⅞	— ⅛
Cenvst	.48	7.7	777	6½	6	6¼	+ ⅛
Cerdyn			89	3⅛	2¾	2⅞	— ⅛
Cerbco	.06	2.0	1	3	3	3	
Cerner			2218	11⅛	10	10⅞	+ ¼
Cetus			13324	16⅛	14⅝	15⅞	+ ⅜
Chalone			212	10	9⅞	10	
ChmpPr			126	4	3⅝	3⅞	+ ⅛
ChncCp			220	1½	1⅛	1⅛	—1
Chanin s			254	9	8⅝	9	+ ⅜
ChrmSh	.12	1.1	12293	11	9⅝	10⅝	+ ⅝
ChrtFdl			435	2⅝	2½	2½	
ChtFSB	.60	5.1	138	11⅝	11½	11⅞	
ChtOne	.56	3.9	2178	15	13⅝	14⅛	+1⅛
Chrtwl			351	⅝		½	
Chattm	.56	2.4	6	23	23	23	
ChkPt			2836	14½	13½	14⅛	+ ⅛
ChkTch			382	3⅝	3⅛	3½	
ChmDsg			782	13⅛	12⅝	12⅝	— ½
Chemfx			6615	8⅝	7⅝	8⅝	+ ⅜
Chmfx wt			461	2⅝	1⅞	2⅛	+ ⅛
ChFab			246	22½	20⅝	22	+1½
ChmFin	1.80b	3.1	23	32	31½	32	—2
ChLea			4	26⅛	26½	26½	—1¼
Chmpwr			1835	15¼	14½	15⅛	+ ⅜
ChryCo	.12	1.2	11	10⅛	9⅝	10⅛	+1
ChesUtl	.84	7.5	141	12	11	11¼	— ½
Cheshre	1.00	10.1	413	10⅛	9⅝	9⅞	— ⅛
ChestrV	.24	2.5	2	9⅝	9½	9½	— ⅛
ChDock	.30e	1.6	73	18½	17⅝	18¼	+ ½
ChldWld			533	12	11⅛	11⅝	+ ⅜
ChipsTc			13441	20⅝	18⅛	20	+1½
Chiron			8856	31⅛	29⅛	31	+1¼
Chitnd	.68	7.6	50	9⅛	7	7	
Chronr			1845	¾	⅝	⅝	+ ⅛
ChrDwt	.26	1.5	3457	18⅛	17⅝	18⅛	— ¼
Cimco			19	11⅛	10½	10½	
Cimflex			1869	1⅝	1	1⅛	— ⅛
CinnFn	2.44	3.2	911	76⅝	73¼	76	+2⅞
CinMic			734	3⅝	3	3	— ⅜
Cintas	.23	.5	1027	45	43	44¼	+ ¼
Ciprico	.20e	5.9	56	3⅝	3⅜	3⅜	— ⅜
Circadn			1720	1½	1	1	— ⅜
CirclFA			981	5⅜	4⅝	5⅛	+ ⅛
Circinc	1.14a	10.1	628	11½	11⅛	11¼	— ¼
Circon			299	5⅞	5⅝	5⅝	— ⅛
Cirrus			13770	16	14¼	15⅝	+1
Cisco			3823	25¼	24⅛	24⅛	— ¼
CtzBcp	1.08	5.9	415	19	18⅛	18¼	— ¼
CtzBkg	1.20	5.1	338	23½	21⅝	23½	+1⅜
CtzGtP	1.00e	10.3	1	9⅝	9⅝	9⅝	
CtzInc s			344	4¼	3¾	4⅛	
CtzSNY	†		566	7½	6	6	—1⅝
CitzSF s			9	11	11	11	
CtzUt A	†		838	38⅛	36½	38⅝	+2
CtzUt B	1.54b	4.3	346	36⅝	35	36	+1⅜
CityFed			706	⅜		⅜	— ⅛
CtFd pfB			30	⅝	¼	¼	— ⅜
CtyHld	.40	2.8	8	14⅛	14	14⅛	
CtyNC s	.64	2.9	514	21⅞	21	21⅜	+ ⅛
CityRs p			191	⅝		⅝	
CivicBc			15	12⅝	12⅝	12⅝	
Clarcr s	.78	3.6	1120	22	21⅝	21⅝	+ ⅛
CleanH			7449	10⅝	8⅝	10⅛	+1
ClevtRt			145	4¼	3⅝	3⅝	— ½
ClifDr			2140	14½	13⅝	14	— ½
ClinDt			35	1⅝	1⅝	1⅝	
ClinGs			32	2⅝	2	2⅛	+ ¼
Cloth			12096	4⅛	3⅝	3⅝	— ¼
CoOpBk	.40	10.9	53	6	3⅝	3⅝	
CobeLb			1674	35	33⅛	35	+1⅛
CocaBtt	.88	3.8	549	23⅝	22⅛	23⅛	
CoCaM			600	2⅝	2¼	2⅜	+ ¼
CoCa wt			1	⅝	⅝	⅝	
CodaE s			1494	2⅞	2⅝	2⅝	+ ⅛
CodeAl			705	16⅛	14½	15	— ½
Codenol			65	5⅛	5	5¼	
Codnl wt			2	⅝	⅝	⅝	
Cognex			4005	25⅝	22¼	25¼	+2⅜
Cognos g			3453	7½	6⅝	6⅝	— ⅜
Cohasef	.24	4.4	20	5½	5½	5½	— ⅛
Cohernt			1478	10⅝	10¼	10⅜	
ColabR			340	1⅝	1⅝	1½	— ⅛
Colagen			4298	19	18	18½	
ColBcp	.20	2.3	4301	9	6⅝	8⅝	+2¼
ColnGa	.40	4.2	3239	10¼	9⅛	9⅝	— ⅛

			Sales in 100s	High	Low	Close	Net Ch'ge
CcdCom			2887	4½	3	3⅞	— ½
ConcCC			309	5¼	4¾	5¼	+ ¼
CncCel			300	22	22	22	+ ½
ConcCm			249	2½	1⅞	1⅞	— ⅝
Condor			34	4½	4½	4½	
ConfTc s			1664	3⅝	3¼	3⅝	+ ⅜
Conmed			204	6¼	5⅜	5⅝	
ConnWt	1.56	8.5	77	18¾	18¼	18¼	— ⅜
ConrPr			35202	23¾	22⅜	23⅝	+1
Consilm			1427	25	23¾	25	+1¼
ConFbr			2	3¼	3¼	3¼	+ ½
ConPap	1.28	3.2	2849	40¼	37	40⅜	+1⅞
ConsPd	.20	2.0	413	10¼	9¾	9⅞	— ⅛
CnsTom	.34e	1.1	3	31	31	31	—1
CnstlBc	1.44	9.0	1440	16¾	15½	16	— ¼
CBNE	.50	5.4	19	9	9	9	
Consul			1318	1¾	1½	1⅝	+ ⅛
ConsFn	.14	2.9	105	4⅞	4¼	4⅞	+ ⅛
CnsFn pf	.85	9.4	59	9	8½	9	— ⅜
ConWat	1.08	7.4	194	14½	14	14½	+ ¼
ContlCl s			4425	18¼	16	18¼	+2¼
CtlHlth			350	1⅝	1¼	1¼	
CtlHme			14	6¾	6¼	6¾	+ ¼
CtlMed			3277	13½	12½	12⅞	— ⅜
CtlMig s	.44	5.0	233	9½	8⅞	8⅞	— ⅜
CtlSav			1	3½	3½	3½	+1¼
CtrlRs			1228	3⅞	3¼	3⅞	+ ⅛
CnvSol			650	2⅞	1⅞	2	+ ⅛
Cooker			1139	3⅝	3¼	3⅝	+ ⅛
CoopD			528	1⅝	1½	1½	
CoorL			142	7⅞	7½	7½	— ¼
Coors B	.50	2.1	8563	23⅝	22⅛	23⅝	+ ⅜
Copytle			1011	12⅝	12	12⅛	— ⅜
Corcom			1515	2⅝	2⅛	2¼	+ ⅛
Cordis			7691	19¼	16¾	18¼	+1½
CoreSt	1.92	4.6	11378	42⅛	40⅝	41½	+1⅜
CmrFn	.20	4.4	299	5	4½	4½	— ½
Cornucp			835	1⅞	1	1	+
CpCapit			29119	⅝	⅛	½	— ⅛
CorpDt			697	3	2⅝	2⅝	— ⅜
CorpStt			1835	14¼	13½	13½	— ½
CorctCp			7140	11¼	8½	9⅞	—1
CosmFr			372	6⅛	5⅜	5⅜	— ⅜
Cosmo			200	½	½	½	+ ⅛
Costar			294	24	21½	21½	—3
Costco			12173	42⅛	38¾	41¾	+2¾
CtnSLf	.28	4.0	44	7½	7	7	
CtryLk			200	9½	8½	9½	+1
CWTrns			3	⅞	⅞	⅞	
CntyBk			99	2	1⅝	1⅝	— ⅛
Courer	.40	2.4	37	17	16½	16½	
CourDis			121	3½	2¾	2¾	— ⅝
CousPr	.60a	4.1	6223	15	14⅜	14⅜	— ¼
Covngt			456	¾	⅝	¾	+
CrkBrl s			5022	24⅝	22½	24⅜	+1
Crftmtc	.25e	9.8	494	2⅝	2⅜	2⅝	+ ⅛
CrayCm			19568	5	4	4⅞	— ⅜
Crestar	1.32	5.4	8869	25⅝	24⅝	24⅝	— ⅜
CrstFdl	†		1218	3	2½	3	+ ¼
Critlcre			1457	3¼	2⅝	3	
Criticln			48	2⅝	2¼	2⅜	— ¼
CropG			241	7¼	6⅝	6⅝	— ⅜
CrosTr			2640	6⅝	6	6⅝	+ ⅜
CrwnAn			454	10	9	9⅝	+ ¼
CwnBk			648	17¼	16	17¼	+1¼
CrwnRs			2363	6⅞	5¼	6⅞	+ ½
CryO pfA			280	⅞	⅞	⅞	
CulinFr			1201	11¾	10	11⅞	+1⅝
Culp	.08	1.0	116	8¼	7½	8¼	+ ¾
CumbFd	.48	4.2	1153	13⅜	11¼	11½	—2
CupNBk			60	13½	12½	12½	— ¼
Cyberk			874	7⅜	7	7¼	+ ¼

D

			Sales in 100s	High	Low	Close	Net Ch'ge
Dsgint			112	4	3⅝	4	
DefSys			501	6⅝	5⅝	5⅝	— ⅛
DetrxC	1.20	6.2	242	20½	18	19½	+1½
Devcn s	.05e	.2	1187	24¼	23¼	23⅜	— ⅛
DeVBul			715	6⅝	6	6⅛	— ⅛
Devon			405	10⅝	10	10½	
Diagnst			11377	15⅛	12½	14⅝	+1⅜
Dial Re	1.68	11.4	3607	15	13⅝	14½	— ½
Dibrell	.72	3.4	971	21	20¼	21	+ ½
Dicson			392	5¾	4¾	5¼	— ½
DClark			71	6⅛	5⅝	5⅝	— ⅛
Digi Int			4958	14⅛	13	14⅛	+1⅛
DigMic			8003	17⅝	15	17¼	+2
DigtSd			8759	10	8⅝	9⅝	+ ½
DimeFn	.80	8.4	2021	9⅝	9⅛	9⅝	— ⅛
Dionex			458	23⅝	23	23⅝	+ ¼
Divrsco			357	4⅛	3⅞	4	+ ⅛
DixieYr	.68	5.1	861	14	13⅛	13⅞	— ⅛
DirGnl	.20	2.0	9149	10⅛	9⅛	10	+ ⅜
Domna	.92	6.0	6	16	15⅜	15⅜	— ⅝
DomBk	.88	6.1	14550	14⅝	14¼	14⅜	— ⅜
DrchH s	.20	2.4	573	9⅛	8⅝	8½	— ⅜
vlDoskcl			897	1⅛	1⅛	1⅛	— ⅝
Dotrnix			454	2	1⅞	1⅞	— ⅛
DblLam			6	13¼	13¼	13¼	+ ⅛
DresB			9214	11	10	10¼	— ⅛
Drewln			91	2⅝	1⅞	2⅛	— ⅛
Drexlr			1383	4⅛	3⅞	4	— ⅛
DreyGr			1649	38	36⅛	37⅞	
DrugE s	.10e	1.4	1335	7⅝	7⅛	7⅝	+ ¼
Durkn			245	7⅛	6⅞	7⅛	+ ⅛
Duramd			1959	3¼	2⅞	3⅛	+ ⅛
Duratek			145	1⅞	1⅝	1⅝	— ⅛
Durhm	.92	3.2	4	29	29	29	
Durlrn s	.50	2.7	2485	18⅞	17⅝	18⅝	+ ⅜
DurFil	.30	1.4	3117	22⅝	20⅝	21⅞	— ⅛
DutyF s			7057	30¼	26	29½	+3⅛
Dvanan			817	2⅝	2	2⅛	— ⅛
DynRsh			157	4⅝	4½	4⅝	
Dynscn			1169	5⅝	5⅛	5⅛	— ⅛
Dynasty			3514	14⅛	13⅛	13⅝	— ⅛
DytchC			2071	15¼	15	15	— ⅛

E

			Sales in 100s	High	Low	Close	Net Ch'ge
EA Eng			166	9⅝	9⅛	9⅝	
EB Mar			127	1⅝	1⅛	1⅝	+ ⅛
ECC Gp	1.40e	7.4	24	18⅝	17½	18⅝	+ ⅜
ECI Tel			7716	22	15⅝	21¾	+5⅝
EFI Els			156	3⅝	3	3⅛	— ⅛
EIP	.12	3.0	70	4	3	4	— ⅛
ELXSI			5613			¼	+
EMC In	.52	6.9	82	7½	7½	7½	
EMCN s			1756	18⅛	15⅛	18	+2⅝
EMPI			67	6⅛	5⅝	5⅝	— ⅛
ERC En			1049	12⅝	11	11⅝	+ ⅛
ESELCO	1.44b	5.8	1	25	25	25	—1
ESSEF			592	3⅝	2⅞	3⅛	— ⅜
ETown	2.96	7.7	120	38⅝	38⅛	38⅝	— ⅛
EZEM			24	10⅛	9½	10	— ⅛
EglBsh			3	6	6	6	
EglFd			5540	14⅛	12⅞	13	—1
EarthT			2800	9⅛	8⅝	8⅝	+ ⅛
EascoT			4234	8⅝	7⅝	8⅝	+ ¾
EastFn	.10l		1297	15⅛	14⅛	14⅝	— ⅛
Eastco s			303	1⅝	1⅛	1⅝	— ⅛
EstnBc	.52	5.1	141	10⅛	9⅞	10¼	+ ⅛
EstnEn			9646	5½	2⅞	5	+2⅝
Eastex			245	1⅝	1⅛	1⅝	— ⅛
EastlFn	.40e	9.4	407	4⅛	4	4⅛	+ ⅛
EatVan	.44	2.0	370	22	21⅝	21⅝	+ ⅛
Ecogen			2168	2⅛	1⅞	2	— ⅛
Egghead			4749	15⅛	14½	15	+ ⅛
ElChic			89	3½	3	3	— ⅛
ElPas			4892	7⅝	6⅞	7⅝	— ⅛
Elbit s	.24e	2.0	204	11⅞	10⅝	11⅞	+1⅛
Elco	.52	3.9	61	13⅜	13¼	13½	+ ⅛
Elcotel			392	3⅝	3	3	
Eldec			948	11½	10¼	11¼	+ ⅜
ElcDta			1865	11	10⅛	10⅝	+ ½
ElcRnt			90	14⅛	14¼	14¼	— ⅛
ElcSci			2757	9	6⅝	8⅝	+2
ElcSen	.10	3.6	9	2¾	2¾	2¾	+ ⅛
ElxAB	1.60e	4.1	6465	42½	38⅛	39	—3⅝
Elctrng			2423	5⅛	4⅝	4⅝	— ⅛
ElecArt			7151	15⅝	15⅛	15⅛	+ ⅛
ElecTel	.10	1.7	75	5⅝	4⅞	5⅝	+ ⅛
EllotSv			385	⅝	⅝	⅝	
ElmFn			1870	10⅝	10	10⅛	— ⅛
ElmwdFd	.24e	1.7	229	14½	13	14¼	+ ⅝
EtronEl			911	7⅝	7	7⅝	+ ⅛
EmarFn s			41	3⅝	3	3½	— ⅛
EmCas	.10l		424	7⅛	6⅝	6⅝	— ⅛
EmpBen			3678	17	16	17	+1
Emulex			543	5⅝	5⅛	5⅜	+ ⅛
EnClean			2845	14½	13½	14	
Encore			1225	2⅝	2	2⅛	— ⅛
Enrgth s	1.00b	5.4	212	18½	17½	18½	+ ⅜
EngVen s			245	16⅛	14⅝	15⅝	+ ⅛
EnexRs			69	3⅝	3⅛	3⅛	— ½
EngnSu			50	2⅝	2⅛	2⅛	— ⅛
EngMea			53	1⅛	1⅛	1⅛	
Engph s	.13	1.0	178	13	12½	13	+ ⅜
EnstrG	.08	3.7	4940	2⅝	2⅛	2⅛	— ⅛
Entrnc			324	3	2⅝	3	+ ⅛
EnvCtl			1852	5½	4⅝	5⅛	+ ⅞
EnvPwr			50	⅝	⅝	⅝	
EnvrTc			61	4	4	4	— ½
Envirsf			243	14½	13⅝	13⅝	— ⅛
Envarc			1275	4⅝	4⅛	4⅝	+ ⅛
Enzon			3135	10⅛	9⅛	9⅝	— ½
Epsiln			1504	12	9½	11	+1⅛
EqtB	1.20	4.0	692	30¼	29⅝	30	
Equitex			27348	⅝	⅜	½	—
EqtOil	.10e	1.6	1032	6½	6⅛	6⅛	+ ¼
EricTl	1.95e	1.1	3201	183	174	180	—2½
ErieLac	10.00c		3	41	41	41	
ErtyInd	†		59	7⅝	7⅛	7⅛	— ⅛
Escalde			12	6⅜	6	6	+ ⅛
Essex			3	2⅝	2⅝	2⅝	
EsxCty	1.32	7.4	7	17⅝	17	17⅝	+ ⅜
EvnSut			5077	34⅝	32¼	33⅝	+ ½
Evans			442	2	1⅝	2	+ ½
EvnsFS			10	6⅝	6⅝	6⅝	— ⅛
Everex			18786	10⅞	9⅝	10⅝	+ ⅝

			Sales in 100s	High	Low	Close	Net Ch'ge
FinNws			18695	9	7¼	8½	+1½
FinTrst	1.44	4.1	81	37	35	35	
Finemx			1928	1⅞	1⅝	1⅝	+ ⅛
Finigan			2342	19⅝	19⅛	19⅝	
FAlaBk	.92	5.8	4755	16	15¼	15⅞	+ ⅛
FABan			112	5⅛	4⅝	4⅝	
FstAm	2.20	4.6	2739	48⅛	47½	47½	+ ⅛
FABk pf	7.20	9.6	59	75⅝	75¼	75¼	+1
FtAmB pf	1.90	9.7	42	19¾	19⅛	19½	+ ⅛
FtABcp	.15e	60.1	13328	¼	⅛	¼	
FtAFd	.80	7.6	77	11¼	10½	10½	
FAFnA s	.40	3.3	175	12⅝	11½	12	
FtAFnB	.40	3.7	58	11	10⅜	10⅜	—1
FtATn	.43l		7585	14⅝	12¼	13⅞	+1⅛
FACont			69	5⅛	5¼	5⅛	
FtBNC	.30	1.9	6	16¼	15½	15½	— ½
FBOh	1.50	5.7	437	26⅝	25½	26½	+ ⅜
FChart	.36	4.0	12	9¼	9	9	—1
FtChat	.32	1.6	400	20	19¾	20	+ ½
FCtzBA	.40	1.6	5	24⅝	24⅝	24⅝	
FstCtzF	†		27	5½	5	5⅛	+ ⅜
FstCity			1187	8½	8	8⅝	+ ⅛
FColBn	.44	3.1	975	15	13⅝	14¼	— ½
FComB	.10e	1.0	967	10⅜	10½	10⅛	— ⅜
FCmBn	.64	3.3	61	19½	18⅝	19¼	+ ¼
FComC	1.20	5.4	1073	23	22¼	22⅜	— ⅜
FCmcl s	.64	3.6	50	18⅜	18	18	
FCmB s	.56	3.7	30	15	14⅝	15	— ¼
FtConst	.11l		3241	3⅞	3½	3½	— ⅜
FtCont			19	¼	¼	¼	
FtEstn	1.12	4.7	219	25	23½	23⅝	—1¼
FtEsex	.36	10.7	629	3⅝	3¼	3⅜	
FtExec	†		26676	2⅝	2¼	2½	— ⅜
FEx pfE	2.18e	43.6	1698	7⅜	4⅝	5	—2⅜
FEx pfF	2.88	38.4	2358	12⅝	7	7½	—4⅞
FEx pfG	1.56	34.7	10031	5⅝	4	4½	— ⅞
FEx pfH			4011	3⅝	2⅝	2⅞	— ⅞
FEx wt			144	⅝		⅝	—
FtFcml			220	1	1	1	
FtFCap	.12e	1.2	40	10¼	9⅝	10¼	
FtFdFn	.48	3.4	152	15¾	14¾	14¼	—1¼
FFdGa			180	3	2	2⅞	+ ⅞
FtFdMic	.60	4.1	1270	14⅞	13⅝	14⅝	+1¼
FtFAla	.20	3.8	20	5¼	4½	5¼	+ ¼
FFdChl	.40	3.2	17	12½	11	12½	+ ½
FFdEH	.28	4.1	1148	7¼	6½	6⅞	— ½
FFFtM	.60a	3.3	54	18¼	17⅝	18¼	— ¼
FFdLoG	.56	5.5	8	10⅜	10¼	10¼	+ ¼
FFdLen	.52	3.9	224	13½	13	13½	+ ½
FtFdSB			55	6⅞	6⅝	6⅞	+ ⅛
FtFdSC			473	4⅝	4½	4½	— ⅛
FFWPa	.30	2.1	115	14⅝	14½	14½	
FFdWV	.48a	5.1	7	9⅝	9½	9½	
FFdAla	1.10e	11.6	55x	9⅝	9¼	9½	+ ¼
FFMon s	.32a	3.3	2	9⅝	9⅝	9⅝	+ ⅛
FFdPry			13	7½	7	7⅛	+ ⅛
FFdPR	.52	6.5	124	8¼	7⅞	8	— ⅛
FtFncl	1.20a	2.6	74	48	44½	46	+ ½
FtFnCrb	.43e	7.2	140	6	6	6	
FtFnCp	.64	4.8	557	13⅝	13½	13¼	
FtFnHd	.48	4.6	48	10½	10¼	10½	+ ¼
FtFlBk	.96	4.2	470	25¼	22¾	22¾	—2¼
FtGaHd			120	4⅛	4	4	—1½
FHarB	.32b	2.5	12	12¾	11½	12¾	+ ½
FtHaw s	.80	3.6	1106	22	20½	22	+1
FHomF	.24	1.3	4	18½	18	18½	
FtHmSv	.40	5.2	5	7¾	7⅝	7¾	+ ¼
FtIllCp	.44	5.0	1873	9	8⅝	8⅝	— ⅛
FstIndl	.28	2.3	204	12¾	11⅞	12	+ ½
FtIntBc	.40	4.3	114	9½	8¼	9¼	+ ¾
FInlowa	.20	3.7	501	5⅝	5⅜	5⅜	— ⅛
FtLbty			1	5½	5½	5½	— ¼

			Sales in 100s	High	Low	Close	Net Ch'ge
HmPCbr	.05e	.5	10x	9½	9	9½	+ ⅜
HFdGa			5	9¼	7⅞	9	— ¼
HFdInd	.30	2.4	91	12⅝	12¼	12⅝	+ ⅜
HFMd s			15	7	6⅝	6⅝	— ⅛
HmFRk			10	8	8	8	— ¼
HmFSF			122	17½	17¼	17½	+ ¼
HmFncl	.48	3.0	287	16⅜	16	16¼	— ¼
HmeInt			6822	2⅝	2⅜	2⅝	+ ⅛
HmeNtr			3454	19⅞	19	19¼	— ¼
HmPrt	.36e	5.6	170	6⅝	6¼	6⅝	— ½
HomeSL	.60	4.0	25	16½	15	15	—1
HmeSav	1.50	7.4	2461	20⅝	19⅞	20⅝	+1
HORL			1726	12⅛	11⅝	11⅞	+ ½
HmSB pf			93	½	⅜	⅜	— ⅛
HmowG			458	9½	8⅝	9¼	
HmstdHld	.48	5.6	4	10	8½	8½	— ½
HmBuft	†		12317	11⅛	9½	11	+1¼
HmtwBc			828	4¼	2⅞	4⅛	+1⅛
HonInd	.60	1.5	390	40⅛	38½	40¼	+1¼
HrzGld			595	1⅛	1	1⅛	— ⅞
HorzInd	.08	1.0	7602	8¼	6	7⅞	+ ⅜
HrznB s	.24	1.7	283	14¼	13½	14¼	+ ¼
HrznFn	.24	1.9	170	13	12⅝	12⅝	— ½
Hornbk			12069	9⅝	8¼	9⅝	+1¼
HospSt			1467	4⅝	4¼	4¼	— ¼
Hospos			244	6	5½	5⅞	+ ¾
Hoticoy			1521	8¼	7	7⅝	— ½
HBNJ	.15l		4459	4¼	3⅞	4⅛	+ ⅛
HufKoo			374	1⅝	1⅝	1⅝	+ ½
HuntJB	.24	1.1	3741	22¼	21½	21¾	+ ¾
HuntEn			1077	4½	4⅛	4⅛	
HuntB	.74b	4.1	1682	18	17½	17⅞	+ ⅜
Hurco	.15e	.9	2373	18	16⅜	16⅜	—1
HutchT			2657	12½	11½	12¼	+ ⅛
Hycor			539	5⅞	5⅞	5⅞	— ¼
HydeAt			13	5	4⅝	4⅞	+ ⅛

I

			Sales in 100s	High	Low	Close	Net Ch'ge
ICO			4634	2⅞	2⅛	2⅞	— ⅞
IDB Cm			636	9⅛	8⅝	9	+ ⅛
IEH Cp			127	1⅝	1¼	1¼	
IFR			1608	13	12¾	13	
IG Lab			3589	7⅜	6½	7⅛	— ⅛
II-VI			64	5⅞	5	5⅜	+ ¼
IIS			238	4⅞	4½	4⅞	+ ⅜
ILC Tc			1097	9⅝	8⅝	9⅝	+ ¾
IMCO			478	5⅝	5¼	5⅛	— ½
INB Fin	1.20a	4.9	1538	25¼	24¼	24½	— ¼
INVG			90	8½	7½	8½	+ ⅜
IPL Sv			328	10¼	9½	10	
IWC	1.38	8.2	177	17¼	16⅝	16⅝	
Icot			2435	1⅝	1¼	1⅝	+ ⅛
Illo s			4749	12⅞	10	12⅞	
Illo wt			1676	10⅛	9⅛	10	+1
ImaoBk			646	6¼	5½	6¼	+1
ImgFlm			340	15	14¾	14½	+ ⅛
ImgF wt			77	1⅛	1½	1½	— ⅛
Imatrn			3038	⅜	⅜	⅜	+
Imtrn wt			52	⅞	⅛	⅛	— ⅛
Imoet			114	2	1⅞	1⅞	— ⅛
ImpctSv			1752	1⅛	⅞	1	— ⅜
Imucor			1672	14	12¼	13¼	— ¾
Imunmn			793	8½	7½	7⅜	— ¾
Imunex			3739	18	16¾	17½	+ ¼
Imunx wt			434	7½	7	7	— ½
ImunRsp			4176	6⅞	6⅛	6⅜	— ⅜
Imunmd			567	3⅝	3¼	3¼	— ⅛
ImprBc	.40	1.9	125	21¼	20½	21⅛	+ ¾
Inacmp			2505	9⅛	8⅝	8⅞	+ ⅜
IndBcp	1.16	6.7	1236	17⅜	16	17¼	+1¼
IndBk	.36	7.2	20	5½	5	5	— ½

			Sales in 100s	High	Low	Close	Net Ch'ge
LICFn			422	21¼	20⅛	21⅛	+1⅛
LneLke			342	2½	2¼	2½	+ ⅛
Lotus			27546	35	33½	34⅝	+1
Lowranc			10	3⅞	3⅞	3⅞	
Loyola			1081	12⅝	12	12¼	
Lundlnt			695	4⅝	4⅛	4⅝	+ ⅛

M

			Sales in 100s	High	Low	Close	Net Ch'ge
MAF Bcp			110	7	6⅝	6⅝	— ⅛
MARC			76	10½	10	10	— ½
MCI	.10	.2	117918	42½	39⅝	42¼	+3⅛
MDT Cp			2265	6¾	6⅛	6⅝	+ ⅛
MI Hom			1	7¼	7¼	7¼	+ ¼
MLX			639	2⅜	1⅞	2⅛	
MMI	.12	2.9	77	4⅝	4⅛	4⅛	— ⅜
MNX			91	4⅝	4½	4⅝	
MPSI			18	2⅞	2⅝	2⅞	— ¼
MSCar			961	20¼	19	19¾	— ½
MTS	.40	1.8	546	23¼	22½	22½	— ¾
MDrmd	.60	2.9	127	21¾	21	21	— ¼
MackTr			1216	5½	5⅛	5⅝	
MB a	.80		2491	14⅝	14⅛	14⅝	+ ⅜
MadGE	2.56	7.9	294	33	32¼	32½	
MagmP			3174	35⅝	33½	35⅝	+ ⅜
Magnal	.24	7.4	2340	3⅜	3	3¼	+ ¼
MagGp	.68b	4.4	510	15⅞	15	15⅝	+ ⅜
MailBx s			1040	20½	19	20½	+1½
MaiRt			354	12	11¼	11½	
Makita	.36r	.4	30	83¾	83⅜	83¾	+3¾
Mallard			758	4¼	3½	4	— ¼
Mallon			197	5⅞	5⅝	5⅞	— ⅛
Mantrn			56	3	2⅝	2⅞	— ⅛
Manitw	1.00a	4.7	1513	22⅛	21¼	21½	+ ½
MfrsNt	2.16	4.8	1929	45¼	43	44⅝	+1½
MarbFn			371	7	6⅝	7	+ ⅜
Marcor s			635	6⅞	6¼	6⅝	
Marcus	.28	1.8	104	16½	16	16	— ¼
Margo			122	3⅜	3⅝	3⅝	— ⅞
Mariet			316	24½	23	24	+1¼
MarIlf	.52	2.8	60	19¼	18½	18½	—1
MarHld			8051	8⅝	6⅞	8⅝	+1¼
MarkCH			156	6⅞	6¼	6⅜	— ⅛
MkTwn	.88	5.3	34	16¾	16¼	16½	+ ¼
Markel s			593	21	20	20⅞	+ ⅛
MktFct	.32	4.4	6	7¼	7¼	7¼	— ⅜
Marqst	.08e	1.0	761	7¾	7⅛	7⅝	+ ⅜
Marsm s			490	20½	19	20⅛	+ ⅜
MrshSu	.36	2.0	355	18⅝	17⅝	18⅛	— ⅛
Marshl	1.20	3.8	447	32¼	31½	32	+ ¼
Martch			888	12	10⅝	11¼	— ⅜
Marten			141	4⅞	4⅝	4⅞	+ ⅜
MartnL			2832	8⅛	7⅞	7⅞	— ¼
MdFdBc	†		164	11	10⅝	10⅝	
Mascol			7934	8⅝	7	8⅝	+1
Massbk	.44	2.7	100	16½	16¼	16½	+ ⅛
MassMic			1709	6⅞	5⅞	6⅛	— ⅛
Mastor			4340	1⅞	1⅝	1⅞	+ ⅛
MaxEr	†		530	5⅛	4⅝	4⅝	— ⅝
Maxco			134	2	1⅞	2	+ ⅛
Maxim			1884	11½	10⅝	11½	+ ⅝
Maxtor			16272	15⅝	14⅝	15⅝	
Maxwel	.40e	2.9	287	14⅛	13½	14	— ¼
MayflCo	.20	4.4	8	4⅝	4	4⅝	+ ⅝
MayflF			25	13	12½	13	+ ½
MaynOl			106	6⅝	5⅝	6¼	+ ½
MaysJ			1	26	26	26	
McCaw			44010	27½	24¾	25	—1¼
McCln			1	4⅝	4⅝	4⅝	
McCor s	.44	1.9	7237	24	22¼	22½	— ½
McFarl			109	10	9¾	10	+ ¼
McGrth	.64	2.6	595	26⅜	23¾	24½	—1½

			Sales in 100s	High	Low	Close	Net Ch'ge
NYCOR	.08	2.7	[illegible]	[illegible]	2⅞	3	+ ⅛
NYCR pf	1.70	10.3	160	17	16½	16⅝	— ⅛

O

			Sales in 100s	High	Low	Close	Net Ch'ge
Ol Corp			181	5⅝	5	5⅝	+ ¼
OakHill			61	4⅛	4⅛	4⅛	
OcuUr s			19000	22¾	18	20⅝	+2¼
Oceaner			7097	14⅝	14⅛	14½	+ ⅜
Octel			13677	24⅝	21⅞	23⅞	— ¼
OfcClub			3144	18¼	17½	17⅝	— ¼
OfcDpt			3712	21	19	20	—1
OffsLog			9291	13⅛	11	11¼	—1⅞
Oglbay	1.60	5.0	371	32⅝	32	32⅛	
OhioBc s	1.28	5.0	3	25⅝	25⅝	25⅝	— ½
OhioCa	2.32	5.3	1848	43½	41¾	43½	+1¼
OilDri s	.20	.9	585	23½	22	23½	+1½
Oilgear	.88	3.3	7	24½	23½	24⅛	+1
OldKnt	1.06	4.1	2281	26⅝	26⅛	26⅝	— ⅛
OldNB	.84	3.3	96	26	25⅝	25¾	
OldRep	.78b	3.3	2915	23¼	22⅝	22⅝	+ ⅛
OldStn	1.56	15.6	735	10⅛	7⅝	10	— ¼
OldS pfB	2.40	14.1	118	18	16½	17	+ ⅛
Olympus			32	6	5½	5½	
OmniC s	.28	2.2	525	13⅜	12⅝	13	
Omnicm	1.10	4.3	3893	26	24⅝	25⅝	+1¼
Onbcp	.16e	1.6	1666	10⅛	9⅜	10⅛	+ ½
Oncogn			2042	1⅝	1⅜	1⅝	— ⅛
OneBc			335	¾	⅝	¾	+ ⅛
OnePrc			734	11¼	10½	10½	
OneVal	1.00	4.9	465	21	20⅝	20½	— ¼
Optek			453	3¼	2⅝	3	— ⅛
Opto			120	3⅝	3⅜	3⅝	
OpticC			1128	5⅝	3⅞	4⅝	— ½
OpticR			4074	35	31¾	33½	+1¼
Optrtc			3139	9⅝	7¼	7⅝	—1⅝
Oracle s			57095	19⅝	17⅞	18	
Orbit			308	3⅞	3½	3⅞	+ ⅛
OrbSci			2242	13⅞	13	13⅝	
OregMt	.60e	3.7	2557	16⅝	15⅝	16⅛	— ⅜
OrntFd			79	8¼	7⅝	7½	— ⅜
Orthmt			319	9⅛	9	9¼	
Osborn			66	11¼	10⅝	10⅝	
OshBA	.41	1.3	5060	32¼	31	31¼	—1
OshBB	.36	1.4	13	26	25½	25½	
OshkT B	.50	5.3	266	9⅝	9½	9⅝	
Oshmn	.20	2.0	17	10⅛	10⅛	10⅛	— ⅛
Osicom			530	1⅞	1⅝	1⅝	+ ⅛
Osmnc			426	20⅛	17⅝	20¼	+3
OttrTP	1.56	6.9	418	23⅛	22½	22⅝	— ⅜
Outlet			109	19⅛	19	19	

P

			Sales in 100s	High	Low	Close	Net Ch'ge
P F			134	2⅝	2⅝	2⅝	— ⅛
PHP			3289	8⅝	8⅛	8⅝	+ ⅛
PAM			422		⅛	⅛	— ⅛
PCA Int			138	6½	6	6¼	+ ⅜
PDA			837	6⅝	6⅛	6⅝	+ ⅛
Pacar	1.00a	2.5	2294	41¼	39¾	40¼	+ ¼
PaceHo			30	10¼	9⅝	9⅝	— ⅜
PacAgr			729	2⅞	2⅝	2⅞	+ ⅛
PacBco			237	6¼	5½	6	+ ½
PacBsk			331	25½	24½	24½	— ½
PacDunl	.56e	3.9	794	15⅛	14⅝	14⅝	— ½
PacInt			149	⅝	½	½	— ⅛
PacNuc			3795	4⅝	3⅞	4⅝	+ ⅛
PTelcm	1.16	4.3	3064	28	27	27¾	+ ¼
PacifC s			2148	22⅝	19¾	20¼	—1
Palfed	.15e	1.4	157	11	9⅝	11	
Pamrap			159	10½	9⅝	9⅝	— ⅛
PanAtl			451	4⅞	4¼	4¼	—1

			Sales in 100s	High	Low	Close	Net Ch'ge
Ruleind			46	7	6¾	7	+ ¼
RyanBck	.04	1.2	299	3⅛	3	3	
RyanF			13804	8¼	7⅝	7⅝	— ⅛

S

			Sales in 100s	High	Low	Close	Net Ch'ge
S K			737	14⅝	13⅝	14½	+ ½
SBT Cp	.05r	1.4	5	3⅝	3⅝	3⅝	+ ⅛
SCI Sys			5568	11¼	10⅝	10⅞	
SCS			127	5¼	5	5	— ½
SEI	.10	.5	2426	20½	19⅝	20¼	+ ¼
SFE			187		⅝		+
SFFed			2924	12¾	11½	12¼	+ ½
SHL Sy			2322	5⅞	5⅝	5⅝	— ¼
SKF s	.69l	2.2	11	26⅝	26⅛	26⅛	— ⅛
SKI s			42	11⅛	11	11⅛	— ⅛
SJNB	†		34	7½	7⅛	7⅛	— ⅛
SNL Fnc	†		3	2⅜	2⅜	2⅜	— ⅛
SPI Sus			8	⅝	⅝	⅝	+ ⅛
STV			85	7⅛	7	7⅛	
SUNF	4.25c		5	¼	¼	¼	— ¼
Safeco	1.36	3.6	8631	38⅜	36⅝	37⅞	+1⅜
SafHlt			995	5⅝	5¼	5⅝	— ½
SageSft			3260	14⅝	13⅝	14⅝	+ ⅝
Sakura			73	29½	28½	29½	+ ¼
StIves			4007	8⅛	7⅝	7⅝	— ¼
StJude s			23069	30½	27⅝	30¼	+1⅞
StPaulB	.40	2.9	1270	13⅝	13⅛	13⅝	+ ⅜
StPaul	2.40	4.1	11185	59⅝	57⅛	59	+1½
SalCpt	.08	1.4	540	5⅝	5	5⅝	— ⅛
Salick			726	6	5½	5⅝	— ⅛
SalM wt s	.52	1.2	658	44¼	43	43⅞	—1⅛
Samna			9109	10½	6⅞	10	+2
SandFm	.30a	2.1	520	14⅜	14¼	14⅜	— ¼
SandRes			827	14	13⅝	13½	+ ¼
SandChf			1	12⅝	12⅝	12⅝	+ ½
SandCap	.40	8.9	1402	6⅝	6½	6⅝	— ⅛
Sanfrd s	.20	.9	4686	25⅞	23⅜	23⅝	— ½
Satilnt			230	1⅞	⅞	1⅜	— ⅛
SavnF s	.36	1.2	2946	29½	27½	29	+2
ScanOp			296	2	1⅝	1⅝	+ ⅛
Schulm	.44	1.1	880	39½	37⅝	39¼	+1½
Schult			43	2½	2½	2½	
Schwitz	.12	.8	112	15½	14⅝	14¾	—1
SchwtzA	.10e	4.2	119	2⅝	2	2⅝	— ⅛
Scimed s			7375	30¼	28⅝	29	+4⅝
SciDyn			439	2	1	1⅞	— ⅛
SciSft			429	3¼	3⅛	3½	
SciTch	.16e	4.0	406	4½	4	4⅛	+ ½
Scitex			13542	36	28⅝	35⅝	+6⅝
ScotSt	.24	3.1	122	8⅛	7⅝	7⅝	
ScotHr			242	6⅛	5½	5⅝	— ⅛
Scripps	.40	2.2	5854	18⅛	17½	18	+ ½
ScrlsH	1.00	1.7	3	57½	56	57½	+ ⅝
SeaGal			1085	¾	⅝	⅝	+ ⅛
SbdSav			6	3	3	3	— ½
SeacBk	.40	3.7	69	11¼	10⅝	10⅝	— ⅛
SecstS	.28	8.0	42	4	3½	3½	
Seagate			42826	15⅝	13⅜	14⅝	+1⅛
Seafrst s	.28	1.3	184	22⅝	21⅝	21⅝	— ½
SeattleF			314	6⅝	6	6⅝	+ ⅛
SeawFd	.36	1.9	35	18⅝	17¾	18⅝	+1
SchdFd	.36	6.7	780	5⅝	5	5⅜	+ ½
SecorBk	.20l		555	4⅛	3⅝	3⅝	— ⅜
SecBc s	.92	5.0	3378	18⅝	18	18½	+ ½
ScFCiv s	.28	1.5	2	19	18½	19	+1
SecFdl	.25	3.3	41	7	6½	6½	
SFGL			10	9⅝	8⅞	9⅝	— ¼
SecInv	†		171	4⅝	4⅛	4⅛	
SecTag			934	2⅝	2	2⅛	+ ⅛
SEEQ			4470	2⅝	2	2½	— ⅛
Seibel	.80	7.4	2597	11⅛	10⅝	10⅝	— ⅛

			Sales in 100s	High	Low	Close	Net Ch'ge
TchDta			1116	6⅝	6⅛	6⅛	— ⅜
Tchnol	.46	3.8	273	12⅝	12	12	— ¼
TchCom			496	12⅝	11½	12⅝	+ ⅛
TechDv			20	2⅛	1⅞	1⅞	— ⅛
Tecogen			362	6⅝	5½	6¼	+ ⅜
Tecum	3.20a	2.8	3078	115½	115	115½	—1½
Tejas			379	25⅝	25	25⅛	+ ⅛
Teleslec			1658	13⅝	12⅛	13	+ ⅜
Telco			3935	12⅝	11⅞	11⅞	— ⅜
TeleOpt			537	1	⅞	1	+
TlcmA s			67264	14⅝	13½	14⅜	+1⅛
TlcmB s			47	14½	13½	14⅝	+1½
TelC rt			10126	3⅝	3⅛	3½	+ ¼
Telebit			2484	13	12⅝	12¾	
Telecrd	1.20	3.1	5674	39½	38⅝	38⅝	+ ⅜
Telmatc			3367	3⅛	2⅝	3⅛	+ ⅜
Telrada			541	6¼	5⅞	6¼	+ ¼
Telvid			1748	¼		¼	
Telabs			4455	13⅝	12½	12½	— ½
Telxon	.01	.1	5867	9¼	7	8⅝	+1⅝
TmpltTc	1.80e		1233	⅝	⅝	⅝	
Tennant	1.20	2.9	164	41⅞	38	41⅞	+3⅞
Teradta			7282	30½	26½	29⅝	+3½
Terex	.05	.2	652	29⅝	28⅝	29¼	— ½
Termflx			1	2⅝	2⅝	2⅝	
TermDt			363	1½	1⅝	1⅝	
Tetra			3435	14⅝	13½	13⅞	+ ½
Teva	.19e	1.7	533	12⅝	10⅝	11¼	— ⅜
ThmMA	.44	2.3	6	19½	19¼	19½	+ ¼
ThmMB	.44	2.1	22	21⅝	20½	20½	+ ½
Thmsn	.81e	3.5	27	23⅝	23	23⅝	— ½
ThouTr			353	1⅝	1⅝	1⅝	+ ⅛
3Com			16211	13⅝	12⅝	13⅛	+1½
3D Sys			782	12	11¼	11⅝	+ ⅛
Tierco			425	⅜	⅜	⅜	+
Tigera			1828	⅝	⅝	⅝	
TimbSf			638	9⅛	8½	8⅝	
Tocr un			1978	26	23⅝	25	+ ⅜
ToddAO	.10	1.0	75	10⅝	10	10⅛	
TokioF	.24t	.5	372	52⅝	51⅝	51⅝	— ½
TokosMd			2827	11	9⅝	10⅝	+1⅛
Tolland	.48	5.8	5	8¼	8¼	8¼	— ⅛
Tompk s	.56	2.9	21	19½	18½	19⅛	+1
Tmk plc	.53e	2.8	433	19⅛	18⅝	19⅛	
Topps s	.24	1.3	4717	20⅝	18	18½	—2⅛
TorRay			1328	3⅝	3½	3⅝	+ ⅛
TotlEnr			12	1⅝	1⅝	1⅝	
Tradln			585	2⅝	2	2⅛	— ⅛
TrakAu			122	8½	8	8½	+ ½
TrnFn	.40a	4.8	42	15	15	15	— ¼
Tranin			82	3	2⅝	3	
TrnLg			64	3	3	3	+ ⅛

(Continued on Page 11)

هكذا من الأصل

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 18.

(Continued)

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, May 18.

r—Not traded. s—None offered. o—Old.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, May 18.

r—Not traded. s—None offered. o—Old.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Helped by Wall Street's strength, Amsterdam's CBS all-share index finished the week 3.6 points higher, at 196.10.

Declining interest rates contributed to the strong performances of blue chips. Among them, Philips closed on Friday at 33.10 guilders, up 2.70 guilders on the week, after announcing Monday that it would change its chairman.

Volume fell to 6.2 billion guilders from 6.6 billion a week earlier. But equities trading soared to 3.9 billion guilders, from 2.6 billion.

Frankfurt

The market declined, mainly in reaction to the May 13 defeat of Chancellor Helmut Kohl's Christian Democratic Union in regional elections.

The DAX indicator finished at 1,843.59, down 31.44 from the previous Friday, while the Commerzbank index closed at 2,281.7, off 30 on the week.

Volume on the eight West German exchanges totaled 40.93 billion DM, up slightly from 40.21 billion the previous week.

There was a slight improvement on Thursday, after announcement of an expected budget surplus for 1990 of 8.2 billion Deutsche marks. This reduced worries about higher interest rates in connection with financing German reunification.

Hong Kong

Prices fell in lackluster trading during a period affected by Chinese political news, with the Hang Seng Index dropping 34.57 points, or 1.16 percent, to close Friday at 2,925.89. Average turnover fell to 1.12 billion Hong Kong dollars a day.

The main indicator rose for the first time in three sessions on Friday, on rumors that China was to release a group of dissidents, with the barometer gaining 8.26 points on late buying from overseas.

London

Share prices climbed more than 4 percent on the week as the rally that began at the start of May swept along, allowing stock shortages to spiral the market upward.

The Financial Times 100-share index closed up 93.2 points on the week at 2,269.1, having registered its biggest gain in two-and-a-half years on Thursday.

Analysts said that although movements were exaggerated, there was a genuine feeling that all the bad news on the British economic front was discounted on the market and some kind of upward correction was inevitable, given recent strong performances on Wall Street.

"There is real institutional demand out there," one market-maker said. Trading on Thursday and Friday was the busiest of the year.

Milan

The Milan bourse came out of months of depression last week, rising each trading day to reach its highest level of the year.

The MIB index jumped by 3.42 percent on the week, to finish at 1,057, while the Comit indicator reached 700.99 at the close, up 3.30 percent on the week.

Average daily volume surged to 335 billion lire, from 205 million lire the previous week.

Bank stocks starred, with Mediobanca up 7.95 percent on the week and Comit up 6.58 percent.

Analysts attributed the revival to liberalization of exchange controls, which brought in substantial foreign funds; good prospects of listed major groups, and the government's plan to cut the budget deficit.

Paris

The Bourse, neglected for several sessions by foreign investors because of a bout of weakness of the franc and political uncertainties, came to life toward the end of the week as overseas buyers returned.

The CAC-40 stock price index ended at 2,100.17, up 8.46 points.

Analysts said monetary questions had dominated the week, with the franc's stabilization reassuring the market, and also allowing a dip in money market interest rates, where call money fell below 10 percent.

They added that recent vigor on Wall Street and the Tokyo exchange had hurt the Paris market.

Singapore

Prices edged higher but failed to hold their best gains. The Straits Times industrial index advanced 20.61 points, to 1,552.88, while the broader all-Singapore index finished 8.58 points higher, at 432.22.

Turnover came to 346.27 million units worth 845.22 million Singapore dollars, compared with the previous week's 314.2 million shares worth 926.6 million dollars.

Tokyo

The Nikkei Average surged above the 32,000 level to advance for the third consecutive week.

The 225-blue chip average closed at 32,013.72, for a 501.58-point, or 1.6 percent, weekly advance. The Tokyo Stock Price Index of all common stocks on the first section advanced 39.29, to 2,388.26.

Average daily turnover on the week rose from 694.9 million to 709.9 million shares. The value of stocks traded rose from 922.61 billion yen a day to 1.02 trillion yen.

Brokers said the Nikkei's advance was largely due to index-related arbitrage buying: the purchase of stocks and simultaneous sale of futures.

Zurich

The market finished mixed, with profit-taking hitting prices, dealers said.

The Swiss Performance Index ended the week at 1,131, down from 1,128.8 the previous Friday. The Swiss Bank Corp. indicator finished at 649.1, down from 647.5, while the Crédit Suisse index fell 2.1 points, to 625.3.

Operators said trading was lighter than the previous week, but a number of Japanese investors were present, buying insurance and bank stocks.

Maxwell to Take Hungary Stake

Reuters

BUDAPEST — The British publisher Robert Maxwell is poised to buy a stake in a second Hungarian newspaper, the official MTI news agency said on Saturday.

MTI said Mr. Maxwell's representative in Hungary, Joseph Lapid, signed an agreement on Friday with the publishers of the afternoon newspaper Esti Hirlap to buy a stake of up to 40 percent.

Mr. Maxwell already has a 40 percent stake in the mass-circulation daily Magyar Hirlap. A Maxwell competitor for international media properties, the U.S.-based Rupert Murdoch, has also acquired stakes in two major Hungarian dailies.

Rumors of War Send Bombay Stocks Lower

Agence France-Presse

BOMBAY — Stock prices tumbled on Indian markets last week on renewed fears of war with Pakistan, while prices of Indonesian shares on the Jakarta exchange firmed on overseas buying.

The Bombay Stock Exchange's sensitivity index fell by 13.7 points, or 0.9 percent, to close Friday at 767.02. The national index dipped marginally, easing from 420 to 418.06 points.

Analysts attributed the negative sentiment to renewed rumors of war with Pakistan over Kashmir and a budgetary revision by the federal government, which dashed industry hopes of tax cuts and a reduction in fuel prices.

Cement stocks, which had recently turned around and looked set for further rises, were the worst hit. Associated Cement Co. slid from 475 ($27.40) rupees to 454 rupees. The shares of six other cement companies also lost ground.

Impressive results by several companies also failed to sway investor sentiment.

Bajaj Auto, which has just announced a big dividend increase, saw its shares fall from 420 to 415 rupees. The aluminum company Hindalco dropped from 295 rupees to 271 rupees.

In Jakarta, dealers said that strong orders from overseas lifted most shares. In particular, rumors that the government would open the banking sector to foreigners also prompted buying of some of the 10 listed banks' stocks.

The JSE index inched up 0.4 percent to close 646.283 on Friday, from 643.312 the previous week. The Jardine Fleming Nusantara indicator rose to 148.81 from 147.59.

Trading on the regular market averaged 807,400 shares a day, compared with the previous week's 419,500. In terms of value, daily trading averaged 9.28 billion rupiahs ($511 million) against 5.3 billion the previous week.

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LVMH

MOËT HENNESSY . LOUIS VUITTON

LVMH reports higher first quarter sales

LVMH Moet Hennessy Louis Vuitton today reported a 4% increase in first quarter 1990 net sales to FF 4,522 million. On a constant exchange rate basis, sales would have risen by 14% over the comparable 1989 level.

First quarter sales were negatively affected by the simultaneous decline of the US dollar and Japanese yen against the French Franc. The average exchange rate of the dollar and related currencies decreased by 9% and that of the yen by 21% from the comparable rates last year.

On a constant exchange rate basis, first quarter sales are in line with forecasts, except for Louis Vuitton Malletier.

By segment, sales in the first three months of 1990 break down as follows:

In millions of francs	1989	1990	90/89 change
Champagne and wines	858	887	+ 3 %
Cognac and spirits	1,300	1,303	—
Luggage, leather goods and accessories	1,135	1,170	+ 3 %
Perfumes and beauty products	979	1,074	+ 10 %
Other activities	79	88	+ 11 %
TOTAL	4,351	4,522	+ 4 %

Reflecting the Group's active hedging strategy, the impact of currency fluctuations on net income is far more moderate than its effect on sales. In the first three months of the year, consolidated net income grew by more than 20%.

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MONDAY SPORTS

Oilers Blast Bruins For 2-0 Series Lead

Kurri's Hat Trick Seals 7-2 Victory

Compiled by Our Staff From Dispatches

BOSTON — The horns pierced the otherwise silent air in the Boston Garden late in the third period, one sad blare, one broken note following another.

It was clearly too late, the game too lost, for the horns to have been sounded in encouragement. And so it was not farfetched to surmise that they were instead offered as a goodbye.

STANLEY CUP

The Edmonton Oilers, a supposedly moribund dynasty and a team considered in certain quarters not the most fundamentally sound in the Stanley Cup finals of the National Hockey League, thrashed the Bruins, 7-2, on Friday night.

With the victory, the Oilers vaulted to a 2-0 lead in the best-of-seven series, which headed to Edmonton for Game 3 on Sunday.

With their performance Friday, one highlighted by Jari Kurri's three goals and five points, the relentless checking of Esa Tikkanen and the superb goaltending of Bill Ranford, the Oilers brought the Bruins to the brink of desperation.

"Jari was just awesome, he was doing everything right," the Edmonton coach, John Muckler, said of Kurri's one-man show.

The Bruins were left in shambles. Two goaltenders were riddled. Dave Poulin, their immensely valuable center, was lost to a knee injury. And the advantage of playing the first two games at home was squandered.

The Oilers rang up goal after goal — two of them on their only two shots of the first period. They then cashed in four more on just nine shots in the second period, to gain a 6-2 advantage.

The binge, begun against goaltender Andy Moog of Boston, and continued against his replacement, Reggie Lemelin, started with Adam Graves's goal midway through the first period. Moog never touched the long-distance slap shot as it sailed into the right corner.

Less than three minutes later, Kurri, hastening to get in on the act, flicked an airborne puck past Moog to make the score 2-0. It was Kurri's 90th career playoff goal, one more than Wayne Gretzky, and an NHL record.

"I haven't talked to Wayne yet about it," said Kurri, "but I'm sure he'll be happy for me."

Kurri, becomes a free agent after the series, earned two other lines in the NHL record book.

His hat trick was the seventh of his career, and tied the playoff mark held by Gretzky and Maurice Richard.

His five-point night matched a final-round record held by six others but not accomplished since Toe Blake of Montreal did it in 1944.

After a goal by Ray Bourque late in the first period and one by Greg Hawgood early in the second evened the score, Kurri did little more than aim and fire at Moog for his 91st playoff goal and a 3-2 lead.

Moog, who had been quietly sound through 13 straight playoff starts and heroic in Game 1, found himself having played 25 minutes with just one save to his credit.

So it was not surprising when he was replaced after he all but helped Kurri's second goal into the net.

"He's been playing so well for us all year," Garry Galley of Boston said of Moog.

Although the Bruins outshot the Oilers, 12-9, in the second period, they ended up trailing, 6-2, after Craig Simpson, Tikkanen and Joe Murphy scored in quick succession.

Boston was left facing the task of trying to become only the fourth team to overcome a 2-0 deficit in the finals. *(NYT, AP)*

Summer Squall Thunders in Preakness

By Steven Crist
New York Times Service

BALTIMORE — Summer Squall, a small colt who has made a career out of conquering larger rivals and his own physical problems, shot through on the inside and pulled away from Unbridled through the stretch to win the $686,000 Preakness Stakes by 2¼ lengths Saturday at Pimlico Race Course.

It was the colt's eighth victory in 10 starts.

Summer Squall, who finished second by 3½ lengths to Unbridled in the Kentucky Derby on May 5, will not run in the Belmont Stakes on June 9, the final leg of the Triple Crown.

His handlers had made that announcement earlier this month, and no change of plans was indicated after Saturday's race.

The Belmont would be Summer Squall's sixth start in 11 weeks. The colt has a recurring bleeding problem, and his handlers are leery of running him without the diuretic Lasix, a controversial bleeding treatment banned in New York.

Unbridled, who led briefly at the top of the stretch, finished nine lengths in front of Mister Frisky. Music Prospector ran fourth in a field of nine.

Summer Squall, who paid $6.80 as the second choice to Unbridled in the betting, ran the mile and three-sixteenths under Pat Day in 1 minute, 53 and three-fifths seconds. It was his eighth victory in 10 career starts, and earned $445,900.

The son of Storm Bird and the Secretariat mare Weekend Surprise is owned by a Dogwood Stable syndicate of 28 investors and is trained by Neil Howard.

Unbridled, though, may have effectively earned twice as much for coming in second. His finish clinched him the $1 million Triple Crown bonus for the best overall finish in the series, provided he completes the Belmont — even if he finishes last — and Summer Squall does not run.

Summer Squall is scheduled to return to Churchill Downs with the rest of Howard's stable and enjoy a long summer vacation. His handlers say they will try him this fall without Lasix in races such as the Breeders' Cup Classic in New York, but do not want to try running him without the drug for now.

The Preakness is the second leg of thoroughbred racing's Triple Crown for 3-year-olds.

Ron Edmonds/The Associated Press

Summer Squall, under jockey Pat Day, won by 2¼ lengths.

Germans Merge Soccer, Raising Olympic Hopes

Reuters

BONN — With East and West Germany striking a deal to set up a united German soccer league, it is looking more likely by the day that the 1992 Barcelona Summer Olympics will witness the birth of single German sports superpower.

The East and West German soccer federations agreed on Saturday to merge their organizations by April 1992 and start all-Germany championships and cup competitions in the 1992-93 season.

With the signing Friday of a treaty to merge the German economies hastening moves toward reunification, athletes and sports officials realize that they can now expect to march into Barcelona's Olympic stadium under one flag.

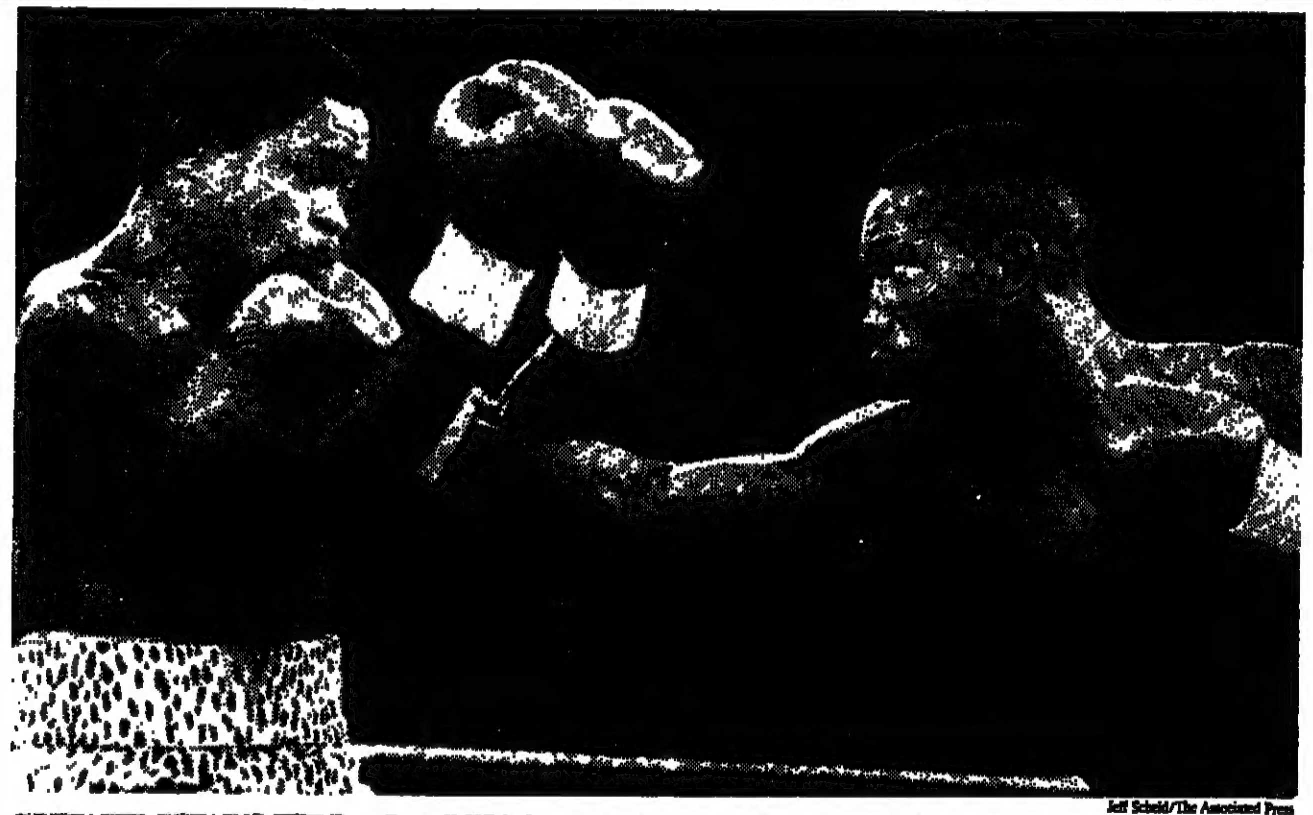
Swimming stars, who in the months after the Berlin Wall crumbled in November were sceptical about a joint team, now agree that the move is inevitable.

"Whether we like it or not there will be one team in Barcelona," Nils Rudolph, an East German swimmer, said recently.

East and West Germany entered combined teams at the 1956, 1960 and 1964 Olympics.

East Germany had the second-highest number of gold medals at the 1988 Seoul Olympics and a united German team is sure to threaten the dominance of the Soviet Union and the United States.

West German sports officials acknowledge that they would need only a year after reunification to organize a joint Olympic team.



Jeff Scheid/The Associated Press

WHITAKER RETAINS TITLE — Pernell Whitaker connecting on a right to Azumah Nelson's chin Saturday in Las Vegas. Whitaker retained his World Boxing Council and International Boxing Federation lightweight titles on a unanimous decision.

50 Injured in Unrest After Baggio Transfer

Reuters

FLORENCE — Fifty people were injured during a night of violence outside the headquarters of the Italian soccer club Fiorentina after the record $13 million transfer of midfielder Roberto Baggio to Juventus, according to the police.

Up to 1,000 Fiorentina supporters gathered outside the club on Friday and threw bricks, flower pots, coins and bottles at the building. Dozens of cars were damaged, trash cans were set on fire and telephone booths were vandalized, the Florence police chief, Filippo Fiorello, said Saturday.

Witnesses said the police charged the fans several times and used tear gas to try to disperse the crowd but the violence continued until about 2:30 A.M. Saturday.

Fiorello said 15 persons were detained and 36 were released after being charged with causing a riot.

Baggio, 23, star of the Fiorentina squad and a member of Italy's World Cup team, signed the three-year contract two days after his club was defeated by Juventus in the UEFA Cup final.

He said he had been forced to leave Fiorentina by the club's owner, Count Flavio Pontello.

Baggio later joined the rest of the Italian World Cup squad under police escort at their training camp near Florence.

Security was stepped up at the training camp, but the head of the Italian soccer federation, Antonio Matarrese, said the team would stay despite the tension.

About 2,000 fans whistled and jeered at Baggio and four Juventus players on Saturday during the national team's practice, which was open to the public.

They kept up a chorus of insults for 40 minutes until the coach, Azeglio Vicini, sent Baggio, Luigi de Agostini, Salvatore Schillaci, Stefano Tacconi and Giancarlo Marocchi to the locker room.

On Sunday, the disturbances continued, and Italian soccer federation officials said that the practices would henceforth be closed to the public.

SIDELINES

Boxall Captures Italian Open Golf

MONZA, Italy (AP) — Richard Boxall of England shot a four-under-par 68 on Sunday to capture the Italian Open golf tournament with a four-round total of 267. Five strokes back was José Maria Olazábal of Spain, at 272, while Eduardo Romero of Argentina finished third at 275.

Boxall led after each round, finishing the first three days at 65, 64 and 70. Seve Ballesteros of Spain finished fifth at 278, making up ground lost in his opening round when he finished in 110th place.

Craig Stadler of the United States finished sixth, tied with three others at 279. Stadler was tied for second with Olazábal after the second round.

Barcelona Joins U.S. Football League

BARCELONA (AP) — Barcelona has become the fifth franchise in the World League of American Football, and the first European club to join the roster of the new league.

Tex Schramm, the league's commissioner, made the announcement Saturday in Montjuich Stadium here, home of the franchise and the major site for the 1992 Summer Olympics. The 12-team league, backed by the National Football League, is scheduled to begin a 10-week season in March.

Franchises have been awarded to Montreal; Orlando, Florida; Birmingham, Alabama, and San Antonio, Texas. The league has said it will have three more clubs in the United States, as well as franchises in Mexico, Britain, Italy and West Germany.

Another U.S. Stadium Clears the Air

SEATTLE (UPI) — On Sept. 1, Husky Stadium at the University of Washington will become another of the few outdoor stadiums in the United States to prohibit smoking.

School regents voted to ban smoking in the 72,000-seat stadium, except in pedestrian concourse areas. Other outdoor stadiums that prohibit smoking include Stanford Stadium in California and Brigham Young University's stadium in Utah.

Zoff Leaves Juventus to Manage Lazio

ROME (UPI) — Dino Zoff, the legendary Italian goalkeeper released by Juventus after coaching the team to victories in the Italian Cup and the UEFA Cup, has signed a two-year contract to manage Lazio.

Zoff, 48, ended an 18-year relationship as player and coach with Juventus on Wednesday night after capturing the UEFA Cup over Fiorentina. His club also knocked off AC Milan last month to claim the Italian Cup.

Juventus finished a distant third in the Italian League to Napoli and AC Milan. A slow start in the regular season convinced management it would not renew Zoff's contract. Zoff was the goalkeeper for Italy's 1982 World Cup champion squad.

Driver Dies in U.S. Speedway Crash

OSWEGO, New York (AP) — A race car driver, A.J. Michaels, was killed at the Oswego Speedway late Saturday when his car brushed another and flipped into a wall. Michaels was 32.

The speedway manager, Dick O'Brien, said the accident occurred on the track's first turn when Michaels was trying to pass two cars. He had moved past one on the outside when his left front tire came into contact with the right front tire of the other car.

No one else was injured in the crash, which was away from the stands, and the other cars involved continued on without losing control.

For Bannister, Another Mile Falls

OXFORD, England (AFP) — Sir Roger Bannister saw his legendary record broken Saturday for the first time on the same track where 36 years ago he became the first man to run the mile in under four minutes.

Sir Roger returned to Iffley Road, Oxford, where on May 6, 1954, he set athletics history, to watch 22-year-old Simon Mugglestone break his track record of 3 minutes, 59.4 seconds with a time of 3:58.9.

In 1954, the world record lasted only 46 days. The man who bettered it, John Landy of Australia, was also at the race on Saturday.

For the Record

Gert-Jan Theunisse, a Dutch professional cyclist, has failed a drug test for the second time in less than two years. He was found to have had excessive levels of testosterone during the Waalse Pijl race in Belgium last month. As a result, he forfeits his third-place finish. He also failed a drug test during the 1988 Tour de France. *(Reuters)*

Steinlager 2 had an 18-mile (30-kilometer) lead over Fisher and Paykel on Sunday as the two New Zealand yachts battled in the sixth and final leg of the Whitbread Round the World race. Steinlager 2 had 392 miles left to finish the race that ends at Southampton, England, while Fisher and Paykel was 410 miles out. *(AP)*

Marseille, the soccer champion of France, ended its season on a sour note by losing to Lyon, 1-0, on Saturday, its first loss at home in two seasons. *(UPI)*

East Germany's third-largest sports body, the Gymnastics Association, has agreed in principle to merge with its equivalent association in West Germany, the state press agency ADN reported. *(Reuters)*

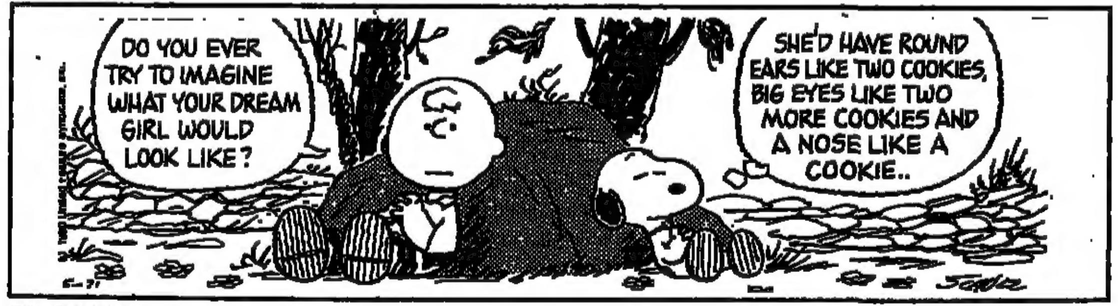
Quotable

- Tom Landry, the former coach of the Dallas Cowboys, explaining why he never smiled on the sidelines, after he was selected to the Professional Football Hall of Fame: "Leadership is a matter of having people look at you and gain confidence. If you're in control, they're in control." *(AP)*
- Neil Howard, trainer of Summer Squall, a colt that overcame a bleeding condition to win the 115th Preakness: "He's got a little problem and we've dealt with it the best we can. But this horse has got more heart than any horse may ever have." *(UPI)*

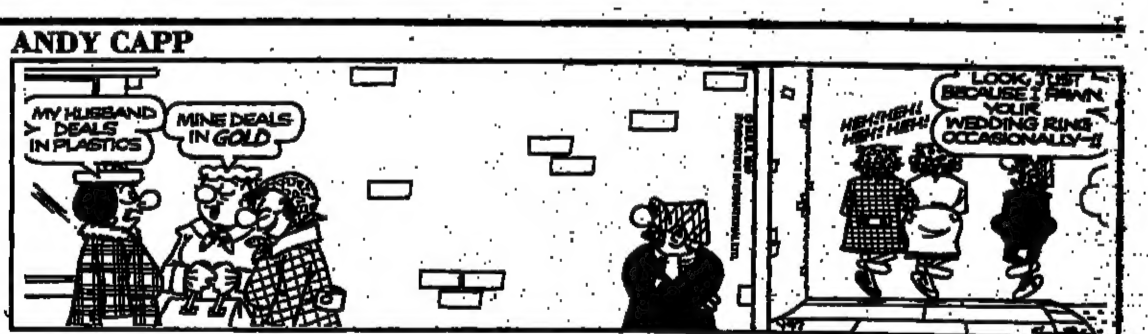
DENNIS THE MENACE

"I SEE WHERE THE MAYOR GOT CAUGHT WITH HIS HAND IN THE COOKIE JAR!" "DID HIS MOM MAKE HIM SIT IN THE CORNER?"

PEANUTS


DO YOU EVER TRY TO IMAGINE WHAT YOUR DREAM GIRL WOULD LOOK LIKE?
SHE'D HAVE ROUND EARS LIKE TWO COOKIES, BIG EYES LIKE TWO MORE COOKIES AND A NOSE LIKE A COOKIE..

ANDY CAPP


MY HUSBAND DEALS IN PLASTICS
MINE DEALS IN GOLD
HEH! HEH! HEH! HEH!
LOOK, JUST BECAUSE I PAWN YOUR WEDDING RING OCCASIONALLY—!!

BLONDIE

I'M LATE AGAIN! IF THE BOSS CATCHES ME, I'M DONE FOR
DAGWOOD, MY BOY
BOSS, AREN'T YOU ANGRY?
HOW COULD I BE?
THIS IS THE EARLIEST THAT YOU'VE EVER BEEN LATE

WIZARD of ID

ACCORDING TO YOUR TAX RETURN, YOU GAVE FIVE HUNDRED DOLLARS TO THE NEEDY
THAT'S TRUE
DO YOU HAVE ANY PROOF?
WE'RE STILL ALIVE, AREN'T WE?

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

HARAJ

SIVOR

KLANTE

GODINI

PROVIDES THE MAIN COURSE ON A FLIGHT.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE ○○○○○○○○○○

(Answers tomorrow)

Saturday's Jumbles: BROIL OUNCE BENUMB STURDY
Answer: The kangaroo proved to be a valuable member of the football team because he was never this—OUT OF BOUNDS

BEETLE BAILEY

WANT TO JOIN THE PHOTO CLUB, BEETLE?
NO, THANKS, SIR. I'VE JOINED TOO MANY THINGS ALREADY
LIKE WHAT?
THE ARMY

REX MORGAN

WHEN DR. MORGAN ASKS VERA LAKE WHETHER SHE THINKS HER SON JEFFREY IS PARANOID, SHE IS AT A LOSS FOR AN ANSWER!
I DON'T KNOW WHAT TO SAY! HE ACTS FEARFUL THAT SOMETHING MIGHT HAPPEN TO ME NOW THAT HE'S DROPPED OUT OF THE UNIVERSITY!
HE KEEPS TELLING ME THAT HE EXPECTS A CALL FROM THE DEAN OF MEN OR THE PRESIDENT! SHOULD I CALL ONE OF THEM, DOCTOR?
NO! NOT AT THIS TIME!

DOONESBURY

WHAZZAT, KID?
GUESS. IT'S A LITTLE SOMETHING BY THE BEACH BOYS.
"PET SOUNDS"! ON CD! THEY DID IT! THEY FINALLY RELEASED IT! I LIVED LONG ENOUGH TO HEAR "PET SOUNDS" ON CD!
AND IT'S GOT TWO EXTRA CUTS. I'LL PUT IT ON FOR YOU...
TWO EXTRA CUTS? I TAKE IT BACK! I DIDN'T LIVE LONG ENOUGH! I'VE DIED AND GONE TO HEAVEN!
IN FACT, WHAT ARE YOU DOING HERE?
GOD ONLY KNOWS.
YES, GOD ONLY KNOWS.

GARFIELD

TIME TO WATER THE OL' LAWN
WIND WIND WIND
YANK!
GARFIELD!!!

The Global Newspaper.

هكذا من الأصل

MONDAY SPORTS

Pistons Stop Bulls, 86-77, in Opener of Conference Final

Compiled by Our Staff From Dispatches

Joe Dumars sparked an otherwise crushing defensive game by scoring 18 of his 34 points in the third period, guiding the Detroit Pistons over the Chicago Bulls, 86-77, in the opener Sunday of the Eastern Conference finals of the National Basketball Association.

Game 2 of the best-of-seven series is to be played again in Auburn Hills, Michigan, on Tuesday night. The series then goes to Chicago.

NBA PLAYOFFS

Dumars carried Detroit in the third period, hitting 8 of 10 shots from the floor. Shooting off picks and driving the lane, he scored the Pistons' first 12 points of the quarter and 18 of their 28 in the period. He gave the Pistons a 67-60 lead entering the final quarter.

Detroit held Chicago scoreless from the field for 3:54 of the fourth period and stretched its lead to 73-60. Chicago's Scottie Pippen, playing with five fouls, hit a pair of three-point shots to bring the Bulls within 75-68 with 7:06 left.

Chicago mounted one last surge, pulling within 82-75 with 3:36 left. But Dennis Rodman scored off a steal by Isiah Thomas with 1:15 remaining to put Detroit up 84-77 and seal the triumph.

Detroit, which held the Bulls to 34 points in the second half, received 11 points from John Salley and 10 from Vinnie Johnson. Jordan scored 34 for the Bulls and Scottie Pippen added 16.

The first half ended, oddly enough, with a spectacular three-point shot by Jordan from behind the top of the key. The All-Star guard, who shook off a bruised hip suffered in the first period, double-pumped and swished his shot to give Chicago a 43-39 lead.

But offense was not the hallmark of the first two periods. Detroit converted just 16 of 43 shots (36 percent) in the first half, while Chicago hit 17 of 43 (40 percent).

The Pistons scored just 15 points in the second period and managed just five points — all by Dumars — over the last 4:18.

Detroit made only three of its first 12 shots.

In a game played Saturday:

Trail Blazers 108, Spurs 105: In Portland, Oregon, Clyde Drexler sank five free throws in the final 26 seconds of overtime Saturday and the Trail Blazers took advantage of a crucial foul call to beat San Antonio in the deciding seventh game of the Western Conference semifinal.

The Trail Blazers will open their conference final against the Phoenix Suns on Monday in Portland.

Terry Porter led the Trail Blazers with 36 points and nine assists, while Drexler had 22 points, 13 rebounds and eight assists.

The Spurs were led by Terry Cummings with 27 points. David Robinson, who had only two points at halftime, finished with 20 points and 16 rebounds.

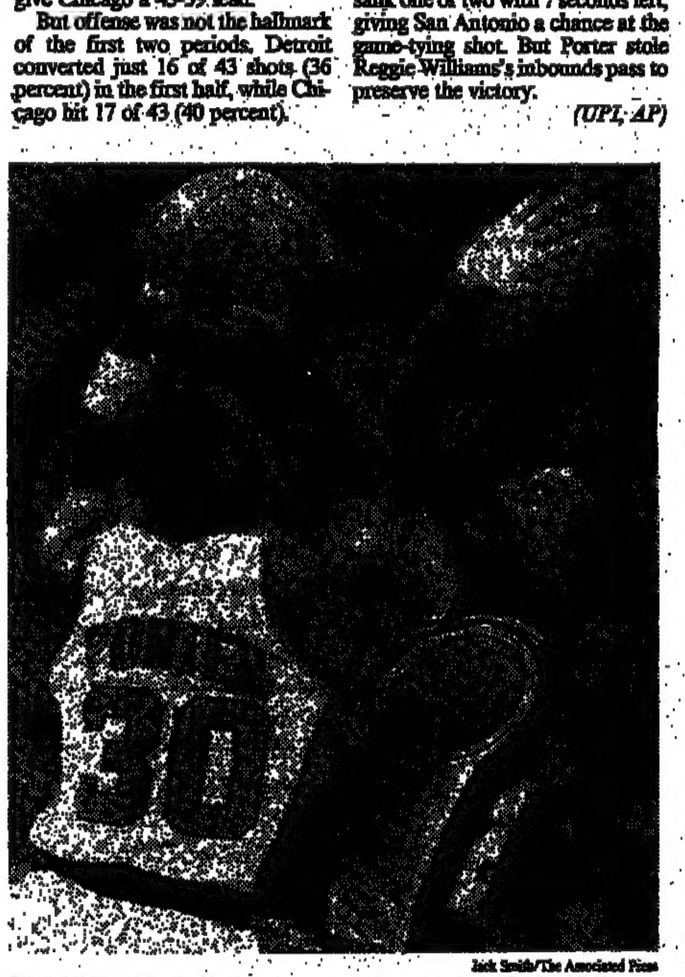
The game was tied, 103-103, and San Antonio was working for the go-ahead basket with less than 30 seconds to play when Rod Strickland's pass headed out of bounds on the Spurs' baseline.

Jerome Kersey of Portland saved the ball and threw an off-balance length-of-the-court pass to Drexler, who was fouled from behind by Strickland with 26 seconds to go.

Drexler, who scored 16 points in the fourth quarter and overtime, made the two free throws and Portland got the ball out of bounds on the breakaway call. Drexler was fouled again and sank both free throws to make it 107-103 with 16 seconds remaining.

Cummings made two free throws with 9 seconds to play and Drexler sank one of two with 7 seconds left, giving San Antonio a chance at the game-tying shot. But Porter stole Reggie Williams's inbounds pass to preserve the victory.

(UPI, AP)



Jack Smith/The Associated Press

Trail Blazer Terry Porter managed to score over Caldwell Jones.

Agence France-Presse

Monica Seles slamming her way to victory over Steffi Graf.

Seles Upsets Graf in Berlin

Compiled by Our Staff From Dispatches

BERLIN — Monica Seles's effort to attain the pinnacle of women's tennis picked up pace dramatically on Sunday when she upset Steffi Graf, the world's top-ranked player, 6-4, 6-3, in the final of the German Open in West Berlin.

A week after humiliating Martina Navratilova, the No. 2 player in the world, 6-1, 6-1, in the Italian Open final, the 16-year-old Yugoslav, who is ranked third, took just over an hour to dispose of Graf with a superb display of powerful ground stokes on the slow clay surface.

The victory, a week before the start of the French Open, broke the West German's run of 66 matches without a loss. Graf last was defeated in the final of last year's French Open, by Arantxa Sánchez Vicario.

Before the final Sunday, Seles, who has set herself the goal this year of becoming the world's No. 2 player, said that she was far from confident about facing Graf.

But after dropping her serve in the first game, the Yugoslav then made two vital breaks to take a 4-2 lead.

Although Graf, always a slow starter, battled back to 4-4.

After both players held serve, Seles moved to 0-40 on Graf's serve in the 10th game to set up her first set point.

A forehand winner from Graf saved that point. A wide backhand cost Seles the second, but she made no mistake on the third, cracking a two-handed forehand winner that left Graf stranded.

Graf's service and normally strong ground strokes looked more and more hesitant as the match progressed and Seles's speed around the court began to show.

The Yugoslav jumped to a 2-0 lead in the second set, breaking Graf's serve in the second game.

Graf broke back in the third game but she could not stop Seles's march. Graf lost her serve on two more occasions, including the crucial 9th game, conceding it with a forehand error over the baseline.

The Yugoslav jumped in the air in delight after sealing the match in 64 minutes.

"I've only won one match," she said. "I've never believed I could win. The first set was decisive. The win over Steffi is the biggest success of my career."

Graf's accuracy from the back of the court failed her and at key points her service failed to show its normal sharpness.

"I was simply bad," she said. "Monica is going to be No. 1 and I hope it will happen soon so that it won't be too boring for you all anymore."

"She hardly made a mistake today and made it very, very difficult for me," she added.

The victory, Seles's fifth title and 24th consecutive triumph this year, was her first over Graf in their four meetings.

It is certain to boost her confidence for the French Open, but she said later that she was still a long way from the top ranking.

"Firstly I have Martina Navratilova's No. 2 spot in my sights," she said. "After the final today I needed a few minutes to realize that I had actually won it."

When Seles received the trophy, the president of the West German Tennis Association, Claus Stauder, caused an angry roar from the crowd when he said, "Today we haven't seen the real Steffi."

(Reuters, AP, UPI)

Mariners Outlast the Indians, 8-7

Compiled by Our Staff From Dispatches

Edgar Martinez belted a two-run homer in the 10th inning on Sunday, his second home run of the game, lifting the Seattle Mariners to an 8-7 victory in Cleveland over the Indians.

Ken Griffey Jr. singled off Jesse Orosco with two out in the 10th. Martinez, who finished with four hits, followed with a drive over the left-field wall for his fifth home run of the year and third two-homer game of his career.

Sandy Alomar Jr. hit a solo homer with two out in the bottom of the 10th to bring Cleveland within 8-7.

The Indians had tied the game 6-6 in the eighth when Chris James scored on an infield hit by Carlos Baerga. James went to first after being hit by a pitch and moved to third on Cory Snyder's double.

Ken Griffey Jr. also homered twice for the Mariners.

Blue Jays 5, Angels 1: George Bell's tie-breaking single keyed a three-run seventh. Mookie Wilson started the inning with a single and went to third on Mark Langston's wild pitch. Kelly Gruber walked and Bell singled for a 2-1 lead.

The Blue Jays loaded the bases when third baseman Jack Howell dropped Langston's throw on Fred McGriff's sacrifice bunt. Pat Borders's sacrifice fly scored Gruber and Glenallen Hill followed with a run-scoring single.

Orioles 4, Rangers 0: Pete Harnisch and Gregg Olson combined on three-hitter in Baltimore to hand Texas its eighth loss in 10 games. Harnisch allowed only two hits through seven innings before Olson retired the Rangers in the final two innings.

BASEBALL ROUNDUP

The Orioles ended the scoreless duel in the seventh when Craig Worthington turned a single into a double, moved to third on a grounder and got to home plate on a wild pitch.

Twins 5, Red Sox 4: After singling home a run in the third, Kent Hrbek capped the three-run fifth inning in Boston with a two-run homer to power Minnesota to its 12th victory in 16 games.

Trailing 2-1 in the fifth, the Twins rallied for three runs. John Moses drew a one-out walk and scored when Kirby Puckett doubled into the left-field corner. Hrbek belted the second pitch from Hetzel off the right-field foul pole to make it 4-2.

Cardinals 6, Reds 2: In Cincinnati, Pedro Guerrero drove home two runs and Joe Magrane won his second straight game. The Cardinals broke a 2-2 tie in the seventh.

Brewers 5, Athletics 2: In Milwaukee, Chris Bosio pitched a four-hitter and Dave Parker keyed a five-run fourth inning with a bases-loaded single to power Milwaukee past Oakland.

Cubs 5, Astros 1: In Houston, Andre Dawson homered and drove in three runs and Shawn Boskie pitched a five-hitter in his major league debut as Chicago handed Houston its 12th loss in 14 games.

In games played on Saturday:

Expos 7, Giants 4: In San Francisco, Kevin Gross pitched six perfect innings and doubled in a run to help Montreal end a four-game losing streak.

Gross retired the first 18 batters he faced, but lost his perfect game when he walked Brett Butler at the start of the seventh inning. One out later, Will Clark broke up the no-hitter with a single.

Reds 4, Cardinals 0: Rolando Roomes hit a three-run homer in the fifth in Cincinnati, and Jack Armstrong pitched a four-hitter to win his seventh game this season.

Roomes's homer came off John Tudor after Joe Oliver reached on an error by Ozzie Smith and Paul O'Neill singled.

Braves 2, Pirates 1: Tom Glavine entered the ninth in Atlanta with a six-hit shutout, but was relieved by Joe Hesketh after John Cangelosi opened with a walk and went to second Jay Bell's single to left.

Hesketh allowed a run on Jeff King's grounder but then got Don Slaught on a grounder to earn his second save. Jim Presley scored twice for Atlanta.

Cubs 4, Astros 1: Andre Dawson scored his 12th homer, the most of any player this season in the National League, and drove in three runs in Houston to pace the Cubs.

Mets 6, Padres 4: Kevin Elster his a three-run homer in the third and Howard Johnson added a solo homer in the fifth as New York ended an eight-game streak of losses on the road.

Phillies 15, Dodgers 12: In Los Angeles, Rod Booker hit a bases-loaded triple in the 11th off Jay Howell, the seventh Dodger to pitch in the game.

Red Sox 13, Twins 1: Tom Brunansky, acquired from the St. Louis Cardinals on May 4, went five-for-five, hit two homers and a double and drove in a career-high seven runs in Boston.

Angels 11, Blue Jays 9: In Toronto, Dave Winfield, Devon White, Dante Bichette and Wally Joyner each homered as California handed the Blue Jays a fifth straight defeat. Winfield's solo home run in the ninth was his first since being traded by the New York Yankees.

Yankees 5, Royals 4: In New York, Steve Sax scored on Don Mattingly's double in the 11th, sliding home safely on a disputed play. Kansas City had tied the game with three runs in the ninth.

Indians 4, Mariners 3: Jerry Browne doubled and scored the tie-breaking run on a wild pitch by Billy Swift in the seventh inning in Cleveland. Browne had gone to third when second baseman Harold Reynolds misplayed Mitch Webster's grounder.

Rangers 5, Orioles 3: Texas snapped a five-game losing streak as Charlie Hough held Baltimore to four hits in eight innings.

Tigers 6, White Sox 4: Gary Ward drove in three runs in Chicago, including a two-run tie-breaking single in the sixth, to help Detroit to its fifth straight victory.

Athletics 9, Brewers 1: In Milwaukee, Dave Stewart became the first seven-game winner this season in the American League, giving up four hits in six shutout innings. With two out, Oakland scored seven runs in the fourth.

(AP, UPI)

American Breaks Shot-Put Record

The Associated Press

LOS ANGELES — Randy Barnes unleashed the longest shot put throw in history on Sunday, 75 feet, 10¼ inches (23.04 meters). The throw shattered the world record of 75 feet, 8 inches, held by Ulf Timmermann of East Germany.

The world record effort came on Barnes's second throw at the Jack In The Box Invitational at UCLA's Drake Field. Barnes, the 1988 Olympic silver medalist behind Timmerman, said he had been throwing in practice well beyond the East German's record, including a toss of 77 feet.

Muster Storms Past A Weary Chesnokov

The Associated Press

ROME — Fully recovered from the knee injury that sidelined him for five months last year, Thomas Muster of Austria overwhelmed Andrei Chesnokov of the Soviet Union, 6-1, 6-3, 6-1, to win the Italian Open on Sunday.

The victory fulfilled the hope Muster expressed last year when, on crutches, he hobbled onto the court here for a ceremony before the final.

"When I said then that I would be back to win this tournament, it was more like a wish," he said after his victory Sunday. "But I worked very hard since then and it paid off. This is my biggest tournament victory."

Beating Chesnokov proved much easier than expected. What had promised to be a grueling baseline struggle between two of the world's best clay-court players wound up being a cakewalk that lasted just one hour, 53 minutes.

It was a complete reversal of the Monte Carlo final three weeks ago, which Chesnokov won, 7-5, 6-3, 6-3.

The 24-year-old Soviet player clearly showed the effects of his semifinal victory over Emilio Sánchez, a three-hour, three-set battle that ended after 11 P.M. Saturday.

"It was very difficult to play a late match before the final," Chesnokov said. "I couldn't fall asleep before 3 A.M. But Thomas played unbelievably well. I couldn't find any way to win a set."

Muster said: "I think he was tired. I just played perfect tennis. I just didn't miss."

The 10th-seeded lefthander said he decided to play Chesnokov differently than in Monte Carlo.

"I tried from the beginning to take the ball early and it worked," he said. "I was aggressive and he didn't really get a rhythm."

Muster, a relentless slugger who can remain anchored at the baseline pounding top-spin groundstrokes, varied his game, often coming to net behind powerful approach shots and slicing well-disguised backhand drop shots.

"It was a little surprising for me," Chesnokov said. "He went to the net more than in Monte Carlo. He had a lot more patience and he hit the ball harder."

Muster lost his serve only once, in the second game of the match. He broke Chesnokov at will, pouncing on his weak second serve and catching him flatfooted.

Dent Set Winfield Trade in Motion

By Murray Chass

New York Times Service

NEW YORK — When Bucky Dent played for the New York Yankees in the turbulent days that gave birth to baseball's Bronx Zoo, he studiously avoided involvement in the mad, mad world of George and Billy and Reggie.

Ron Guidry, Willie Randolph and Dent were the best at remaining quiet and aloof from the daily turmoil.

Guidry and Randolph have gone to saner environments, but Dent is back in the Yankees' clubhouse as manager and it was he, ironically, who created the latest controversy.

With the type of questionable thinking that seems to grow like fungus under the scrutinizing eye of George Steinbrenner, Dent decided only 16 games into Dave Winfield's comeback from back surgery that the outfielder no longer could play regularly.

What Dent was deciding, though, was that Winfield should no longer play for the Yankees.

Dent, acknowledging that he pushed for the trade, said he told Steinbrenner that Winfield would not accept a platoon status and that the more he sat on the bench the more disgruntled he would get; the more disgruntled he got, the worse it would be for him and the team.

AP

Dent: 'We were struggling.'

In other words, once Dent decided to make Winfield a part-time Yankee, he wanted him to be a former Yankee.

"I knew once I started platooning him, it would be a situation where he wouldn't like it," he said of Winfield. "He wouldn't have accepted it. We also had talked about the future. He's in the last year of his contract, and the question was were we going to sign him. If he isn't going to accept it and we're not going to sign him, we might as well get something of value for him."

But what does the experience say about Dent's judgment?

The next couple of months will tell, but baseball people have questioned the wisdom of giving Winfield such little time to re-establish himself after missing a year because of surgery.

Dent made the hasty judgment because the Yankees were not scoring and Winfield was mired in a long hitless streak. It was a move that reeked of panic.

"We were struggling; Dave was struggling," Dent said. "I couldn't afford to let the club suffer. How much time are you supposed to give him?"

Winfield, who wanted to stay in New York and re-establish himself as a productive everyday player, finally realized that would not be possible.

That moment came last Tuesday, when he was in the Yankees' clubhouse at Yankee Stadium.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Milwaukee	20	13	.606	—
Boston	19	15	.559	1½
Cleveland	19	16	.543	2
Toronto	20	18	.526	2½
New York	14	19	.424	6
Detroit	16	22	.421	6½
Baltimore	15	21	.417	6½

West Division

	W	L	Pct.	GB
Oakland	24	11	.686	—
Chicago	20	12	.625	2½
Minnesota	19	16	.543	5
Seattle	18	20	.474	7½
Texas	16	20	.444	8½
California	15	22	.405	10
Kansas City	12	22	.353	11½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	23	13	.639	—
Philadelphia	20	15	.571	2½
Montreal	19	18	.514	4½
New York	17	18	.486	5½
Chicago	17	19	.472	6
St. Louis	16	20	.444	7

West Division

	W	L	Pct.	GB
Cincinnati	25	8	.758	—
Los Angeles	18	18	.500	8½
San Diego	17	19	.472	9½
San Francisco	15	21	.417	11½
Atlanta	13	21	.382	12½
Houston	13	23	.361	13½

Friday's Line Scores

AMERICAN LEAGUE

Kansas City 020 000 110—4 7 0
New York 000 000 100—1 2 1

Saberhagen and Macfarlane; Leary, Cadaret (7), Mills (8), Righetti (9) and Geren. W—Saberhagen, 2-3. L—Leary, 2-4. HR—Kansas City, Macfarlane (1).

Seattle 000 000 000—0 4 1
Cleveland 000 230 00x—5 7 1

Hanson, Harris (8) and Bradley; Black and Alomar. W—Black, 4-1. L—Hanson, 3-3.

California 003 100 000—4 11 0
Toronto 000 000 200—2 7 1

Abbott, Eichhorn (7) and Parrish; Stieb, Acker (4), Ward (8), Wells (9) and Borders. W—Abbott, 2-3. L—Stieb, 5-2. Sv—Eichhorn (6). HRs—California, Hill (1). Toronto, Borders (6).

Minnesota 100 003 200—6 16 0
Boston 000 000 000—0 9 0

Drummond, Candelaria (5), Leach (8) and Harper, Ortiz (9); Harris, Lamp (4), Murphy (6), Reed (7) and Pena. W—Candelaria, 4-1. L—Harris, 4-2. HR—Minnesota, Gaetti (5).

Texas 000 000 100—1 5 2
Baltimore 700 421 00x—13 17 0

B.Witt, Mielke (5), Rogers (8) and Petralli, Jo.Russell (7); D.Johnson and Tettleton. W—D.Johnson, 3-2. L—B.Witt, 1-5. HR—Baltimore, Orsulak (2).

Detroit 041 002 100—8 9 1
Chicago 101 000 000—2 12 0

DuBois, Nunez (6), Gleaton (9) and Heath, Salas (5); Perez, Patterson (3), Edwards (7), Radinsky (9) and Fisk, Karkovice (9). W—DuBois, 1-2. L—Perez, 3-3. HRs—Detroit, Fielder (15). Chicago, Kittle (6).

Oakland 000 000 000—0 5 0
Milwaukee 000 311 00x—5 7 0

Moore, Klink (5), Norris (7) and Hassey, Quirk (6); Wegman and Surhoff. W—Wegman, 2-0. L—Moore, 3-3.

NATIONAL LEAGUE

St. Louis 000 000 000—0 4 0
Cincinnati 000 000 001—1 5 0

Mathews, Dayley (9) and Zeile; R.Robinson, Charlton (8) and Oliver. W—Charlton, 3-0. L—Dayley, 1-1. HR—Cincinnati, O'Neill (4).

Pittsburgh 002 510 001—9 15 3
Atlanta 000 000 102—3 10 2

Walk, Ruskin (7), Power (8) and LaValliere; Clary, Castillo (4), Luecken (6), Boever (8), Henry (9) and Olson. W—Walk, 4-3. L—Clary, 1-2. HRs—Pittsburgh, Backman (1), Bonilla (9). Atlanta, Gant (3).

Chicago 230 020 000—7 9 2
Houston 000 000 000—0 6 1

Harkey, Ml.Williams (9) and Girardi; Gullickson, Schatzeder (2), Hernandez (5), Agosto (7), Darwin (9) and Biggio, Trevino (8). W—Harkey, 4-1. L—Gullickson, 2-3.

New York 011 100 000—3 9 4
San Diego 040 010 01x—6 8 1

Viola and Hundley; Hurst, Harris (4), Lefferts (8) and Santiago. W—Hurst, 3-4. L—Viola, 7-1. Sv—Lefferts (4). HRs—New York, McReynolds (5). San Diego, Templeton (3), Carter (5).

Philadelphia 000 200 000—2 7 1
Los Angeles 001 023 00x—6 7 0

Ruffin, Freeman (5), Akerfelds (7) and Lake; Belcher, Howell (8) and Dempsey. W—Belcher, 3-3. L—Ruffin, 2-4. Sv—Howell (1). HRs—Los Angeles, Dempsey 2 (2).

Montreal 100 100 000—2 11 2
San Francisco 020 000 50x—7 12 1

Boyd, Frey (7), Schmidt (7), Sampen (7) and Goff, Fitzgerald (7); Reuschel, Hammaker (7), Thurmond (8) and Kennedy. W—Hammaker, 3-2. L—Frey, 2-1.

Saturday's Line Scores

AMERICAN LEAGUE

Minnesota 001 000 000—1 7 2
Boston 500 220 31x—13 20 0

Anderson, Berenguer (1), Wayne (4), Moses (8) and Harper, Ortiz (6); Clemens, Gardner (8), Reardon (9) and Pena, Gedman (9). W—Clemens, 4-2. L—Anderson, 2-5. HRs—Boston, Brunansky 2 (3).

Seattle 000 010 200—3 9 1
Cleveland 001 002 10x—4 9 0

Young, Swift (7) and Bradley; Farrell, Orosco (7), Jones (8) and Alomar. W—Orosco, 2-1. L—Young, 1-4. Sv—Jones (14).

California 400 000 421—11 14 1
Toronto 004 020 111—9 13 1

Fetters, Fraser (5), Harvey (7), Eichhorn (9) and Orton; Cerutti, Ward (6), Cummings (8), Wells (8) and Borders. W—Fraser, 1-2. L—Ward, 1-1. Sv—Eichhorn (7). HRs—California, Bichette (5), White (4), Joyner (4), Winfield (3). Toronto, Felix (5), Mulliniks (1).

Kansas City 000 100 003 00—4 7 0
New York 000 001 120 01—5 13 3

(11 innings)

Gubicza, M.Davis (7), Farr (8) and Macfarlane; Witt, Guetterman (7), Robinson (8), Righetti (9), McCullers (9) and Cerone. W—McCullers, 1-0. L—Farr, 2-2. HRs—New York, Mattingly (4), Cerone (2).

Texas 012 010 100—5 8 0
Baltimore 000 000 300—3 4 1

Hough, Je.Russell (9) and Petralli; Tibbs, Price (5), Williamson (6), Hickey (8), Olson (9) and Tettleton. W—Hough, 4-2. L—Tibbs, 2-4. Sv—Je.Russell (6). HRs—Texas, Incaviglia (6), Tettleton (2).

Detroit 010 023 000—6 7 0
Chicago 000 211 000—4 12 0

Tanana, Henneman (8) and Nokes, Heath (4); McDowell, Radinsky (6), Pall (6) and Fisk. W—Tanana, 3-2. L—McDowell, 1-3. Sv—Henneman (9). HRs—Detroit, Whitaker (4). Chicago, Calderon (4), Kittle (7).

Oakland 000 702 000—9 10 1
Milwaukee 000 000 001—1 4 5

Stewart, Nelson (7) and Steinbach; Filer, Krueger (4), Fossas (8) and Surhoff, O'Brien (4). W—Stewart, 7-1. L—Filer, 2-2. Sv—Nelson (3). HRs—Oakland, Steinbach (3). Milwaukee, Vaughn (4).

NATIONAL LEAGUE

Montreal 021 100 101—7 12 1
San Francisco 000 000 301—4 8 1

Gross, Burke (7) and Fitzgerald; Knepper, McCament (3), Vosberg (7), Bedrosian (9) and Carter. W—Gross, 5-2. L—Knepper, 2-2. Sv—Burke (9).

St. Louis 000 000 000—0 4 1
Cincinnati 000 030 01x—4 8 1

Tudor, DiPino (7), Niedenfuer (7) and Zeile; Armstrong and Oliver. W—Armstrong, 7-1. L—Tudor, 4-2. HR—Cincinnati, Roomes (2).

Pittsburgh 000 000 001—1 8 2
Atlanta 000 100 01x—2 6 1

Terrell, Landrum (8) and Slaught; Glavine, Hesketh (9) and Olson. W—Glavine, 2-2. L—Terrell, 1-3. Sv—Hesketh (2). HR—Atlanta, Presley.

Chicago 002 100 100—4 11 0
Houston 000 001 000—1 8 2

Lancaster, Ml.Williams (8) and Girardi; Clancy, Darwin (6), Agosto (7), Andersen (9) and Biggio. W—Lancaster, 3-1. L—Clancy, 1-3. Sv—Ml.Williams (8). HRs—Chicago, Dawson (12). Houston, Biggio (2).

New York 003 210 000—6 7 0
San Diego 100 000 012—4 7 4

Cone, Franco (9) and Hundley; Benes, Schiraldi (7), Grant (9) and Santiago. W—Cone, 1-2. L—Benes, 3-4. Sv—Franco (8). HRs—Elster (4), H.Johnson (8).

Philadelphia 000 301 024 05—15 24 3
Los Angeles 030 300 022 02—12 15 2

(11 innings)

Cook, Carman (4), Freeman (5), Parrett (6), Akerfelds (7), Mulholland (8), R.McDowell (9) and Lake, Daulton (5); Valenzuela, Hartley (5), M.Maddux (6), Crews (8), Aase (8), Wetteland (9), J.Howell (10) and Dempsey, Scioscia (8). W—R.McDowell, 2-0. L—J.Howell, 1-2. HRs—Philadelphia, Cook (1). Los Angeles, Daniels (7).

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	23	11	0	.676	—
Taiyo	18	11	2	.613	2½
Hiroshima	14	17	1	.452	7½
Hanshin	14	19	0	.424	8½
Yakult	13	18	0	.419	8½
Chunichi	12	18	1	.403	9

Pacific League

	W	L	T	Pct.	GB
Seibu	21	8	0	.724	—
Orix	18	12	1	.597	3½
Nippon Ham	15	14	0	.517	6
Lotte	12	14	0	.462	7½
Kintetsu	12	16	0	.429	8½
Daiei	8	22	1	.274	13½

SATURDAY'S RESULTS

Yomiuri 6, Hanshin 2
Hiroshima 6, Taiyo 5
Yakult 4, Chunichi 4

SUNDAY'S RESULTS

Yomiuri 10, Hanshin 3
Taiyo 9, Hiroshima 4
Chunichi 6, Yakult 2
Orix 8, Seibu 2
Kintetsu 3, Lotte 2
Nippon Ham 11, Daiei 2

HOCKEY

Stanley Cup Finals

(Best of seven games)
Game 1, Tuesday, May 15
Edmonton 3, Boston 2
Game 2, Friday, May 18
Edmonton 7, Boston 2
Game 3, Sunday, May 20
Boston at Edmonton
Game 4, Tuesday, May 22
Boston at Edmonton
Game 5, Thursday, May 24
Edmonton at Boston, if necessary
Game 6, Saturday, May 26
Boston at Edmonton, if necessary
Game 7, Tuesday, May 29
Edmonton at Boston, if necessary

Friday's Result

Edmonton 2 4 1—7
Boston 1 1 0—2

First Period—1, Edmonton, Graves 5 (Gregg, Murphy), 8:38. 2, Edmonton, Kurri 8 (Tikkanen), 10:53 (pp). 3, Boston, Bourque 5 (Neely), 19:07. Penalties—Messier, Edm (roughing), :49; Anderson, Edm (tripping), 4:45; Carter, Bos, major-game misconduct (high-sticking), 6:28; S.Smith, Edm (hooking), 6:45; Buchberger, Edm (unsportsmanlike conduct), 12:55; D.Sweeney, Bos (elbowing), 12:55; Lamb, Edm (tripping), 14:56.

Second Period—4, Boston, Hawgood 1 (Bourque, Burridge), 2:56 (pp). 5, Edmonton, Kurri 9 (Tikkanen), 4:21. 6, Edmonton, Simpson 13 (Kurri), 15:28. 7, Edmonton, Tikkanen 11 (Kurri), 17:10. 8, Edmonton, Murphy 5 (S.Smith), 19:12. Penalties—Tikkanen, Edm (holding), 1:14; Neely, Bos (roughing), 2:27; S.Smith, Edm (roughing), 2:27; Tikkanen, Edm (roughing), 11:00; Hawgood, Bos (roughing), 11:00; Ranford, Edm, served by Simpson (delay of game), 11:14.

Third Period—9, Edmonton, Kurri 10 (Ruotsalainen, Lamb), 7:27 (pp). Penalties—B.Sweeney, Bos (holding), 5:30; Murphy, Edm, double minor (unsportsmanlike conduct, roughing), 12:50; Johnston, Bos, double minor (roughing), 12:50.

Shots on goal—Edmonton 2-9-11—22. Boston 10-12-5—27. Missed penalty shots—Klima, Edm, 19:08 second. Power-play Opportunities—Edmonton 2 of 3; Boston 1 of 5. Goalies—Edmonton, Ranford, 14-5 (27 shots-25 saves). Boston, Moog, 12-5 (4-1), Lemelin (4:21 second, 18-14).

BASKETBALL

NBA Playoffs

(Best of seven games.)
WESTERN CONFERENCE SEMIFINALS
Phoenix beat Los Angeles Lakers 4-1

SATURDAY'S RESULT

SAN ANTONIO: Elliott 4-9 1-2 9, Cummings 10-21 7-8 27, D.Robinson 7-21 6-11 20, Strickland 8-14 2-3 18, Anderson 8-12 3-4 20, Brickowski 1-4 0-0 2, Wingate 2-8 1-2 5, Jones 2-3 0-1 4, R.Williams 0-0 0-0 0. Totals 42-92 20-31 105.

PORTLAND: Kersey 9-23 3-5 21, B.Williams 4-10 4-5 12, Duckworth 3-11 0-0 6, Drexler 8-22 5-6 22, Porter 9-18 14-16 36, Cooper 1-6 2-2 4, C.Robinson 0-1 1-2 1, Petrovic 2-6 1-2 5, Young 0-0 1-2 1. Totals 36-97 31-40 108.

San Antonio 24 22 26 25 8—105
Portland 31 21 21 24 11—108

3-Point goals—San Antonio 1-1 (Anderson 1-1), Portland 5-14 (Porter 4-9, Drexler 1-3, Petrovic 0-2). Fouled out—Strickland, Kersey. Rebounds—San Antonio 59 (D.Robinson 16), Portland 72 (Kersey, B.Williams 15). Assists—San Antonio 21 (Strickland 8), Portland 29 (Porter 9). Total fouls—San Antonio 26, Portland 29.

EASTERN CONFERENCE SEMIFINALS
Detroit beat New York 4-1
Chicago beat Philadelphia 4-1

Conference Finals

(Best of seven games.)
EASTERN CONFERENCE
Chicago vs. Detroit
Sunday, May 20
Chicago at Detroit
Tuesday, May 22
Chicago at Detroit
Saturday, May 26
Detroit at Chicago
Monday, May 28
Detroit at Chicago
Wednesday, May 30
Chicago at Detroit, if necessary
Friday, June 1
Detroit at Chicago, if necessary
Sunday, June 3
Chicago at Detroit, if necessary
WESTERN CONFERENCE
Phoenix vs. Portland
Monday, May 21
Phoenix at Portland
Wednesday, May 23
Phoenix at Portland
Friday, May 25
Portland at Phoenix
Sunday, May 27
Portland at Phoenix
Tuesday, May 29
Phoenix at Portland, if necessary
Thursday, May 31
Portland at Phoenix, if necessary
Saturday, June 2 or Sunday, June 3
Phoenix at Portland, if necessary

TENNIS

MEN'S TOURNAMENT
Italian Open, in Rome
Quarterfinals, Friday

Emilio Sanchez (4), Spain, def. Guillermo Perez-Roldan (12), Argentina, 7-6 (7-5), 6-2; Andres Gomez (3), Ecuador, def. Omar Camporese, Italy, 6-1, 6-2; Thomas Muster (10), Austria, def. Guy Forget, France, 6-2, 3-6, 6-3; Andrei Chesnokov (8), Soviet Union, def. Alberto Mancini, Argentina, 7-6 (7-3), 6-0.

Semifinals, Saturday

Muster def. Gomez, 5-7, 6-4, 7-6 (7-2); Chesnokov def. Sanchez, 6-7 (1-7), 6-4, 7-6 (7-5).

Final, Sunday

Muster def. Chesnokov, 6-1, 6-3, 6-1

WOMEN'S TOURNAMENT
German Open, in West Berlin
Quarterfinals, Friday

Natalia Zvereva (8), Soviet Union, def. Judith Wiesner (9), Austria, 6-7 (4-7), 6-0, 6-4; Sandra Cecchini (16), Italy, def. Nathalie Tauziat (10), France, 7-6 (7-3), 6-3; Steffi Graf (1), West Germany, def. Leila Meskhi (13), Soviet Union, 6-4, 6-1; Monica Seles (2), Yugoslavia, def. Conchita Martinez (6), Spain, 6-0, 6-3.

Semifinals, Saturday

Graf def. Zvereva, 6-4, 6-2; Seles def. Cecchini, 6-1, 6-3.

Final, Sunday

Seles def. Graf, 6-4, 6-3

CYCLING

Tour of Italy

Results Saturday from second stage, a 239-kilometer (150 mile) race from Bari to Sala Consilina:

1. Giovanni Fidanza, Italy, six hours, 33:14 seconds; 2. Laurent Fignon, France; 3. Charles Mottet, France; 4. Piotr Ugrumov, Soviet Union; 5. Casimiro Moreda, Spain; 6. Claudio Chiappucci, Italy; 7. Stefano Colage, Italy; 8. Roberto Pagnin, Italy; 9. Leonardo Sierra, Venezuela; 10. Angelo Lecchi, Italy.

Results Sunday from the third stage, a 190-kilometer (119 miles) race from Sala Consilina to Mount Vesuvius:

1. Eduardo Chozas, Spain, 5 hours 0 minutes 1 second; 2. Gianni Bugno, Italy, at 26 sec; 3. Acacio Da Silva, Portugal, 34; 4. Piotr Ugrumov, USSR, 42; 5. Marino Lejarreta, Spain, 48; 6. Daniel Steiger, Switzerland, 51; 7. Francois Lemarchand, France, 56; 8. Claudio Chiappucci, Italy; 9. Federico Echave, Spain; 10. Marco Giovannetti, Italy; 11. Fabrice Philipot, France; 12. Franco Chioccioli, Italy, all at 59.

Overall Standings

1. Gianni Bugno, Italy, 11 hours 48 minutes 59 seconds; 2. Eduardo Chozas, Spain, at 43 sec; 3. Daniel Steiger, Switzerland, 57; 4. Laurent Fignon, France, 1:08; 5. Joachim Halupczok, Poland, 1:09; 6. Marino Lejarreta, Spain, 1:10; 7. Angelo Lecchi, Italy, 1:12; 8. Claudio Chiappucci, Italy, 1:15; 9. Zenon Jaskula, Poland, 1:17; 10. Federico Echave, Spain, 1:18

SOCCER

INTERNATIONAL FRIENDLIES
Northern Ireland 1, Uruguay 0
Wales 1, Costa Rica 0
WEST GERMAN CUP FINAL
Kaiserslautern 3, Werder Bremen 2
FRENCH FIRST DIVISION
St Etienne 1, Toulon 2
Caen 2, Lille 0
Brest 1, Sochaux 0
Monaco 4, Racing 0
Cannes 1, Montpellier 1
Bordeaux 1, Metz 0
Paris SG 2, Nice 1
Mulhouse 1, Toulouse 0
Auxerre 0, Nantes 0
Marseille 0, Lyon 1

Final Standings

Marseille 53; Bordeaux 51; Monaco 46; Sochaux 43; Paris SG 42; Auxerre 41; Nantes 40; Lyon 39; Toulouse, Brest 38; Cannes 36; Toulon 35; Montpellier, Metz, St Etienne, Caen 34; Lille 33; Nice 31; Racing 30; Mulhouse 28.

GOLF

Results Sunday from the Italian Open played at Monza:

Richard Boxhall, England,	65-64-70-68—267
Jose Maria Olazabal, Spain,	67-69-68-68—272
Eduardo Romero, Argentina,	72-69-66-68—275
John Bland, South Africa,	67-74-68-68—277
Severiano Ballesteros, Spain,	75-68-66-69—278
Giuseppe Cali, Italy,	71-71-67-70—279
Keith Waters, England,	70-70-71-68—279
Anders Sorensen, Denmark,	66-72-71-70—279
Craig Stadler, U.S.,	68-68-71-72—279
Jim Rutledge, Canada,	68-71-71-70—280
Steven Richardson, England,	71-68-72-69—280
Jose Maria Canizares, Spain,	73-72-66-69—280

TRANSACTIONS

BASEBALL
American League

CALIFORNIA—Recalled Mike Fetters, pitcher, from Edmonton, Pacific Coast League. Optioned Rick Schu, infielder, to Edmonton.

KANSAS CITY—Activated Danny Tartabull, outfielder, from the 15-day disabled list. Sent Russ Morman, outfielder, to Omaha, American Association.

MINNESOTA—Put Randy Bush, outfielder, on the 15-day disabled list. Recalled Mark Guthrie, pitcher, from Portland, Pacific Coast League.

SEATTLE—Activated Scott Bankhead, pitcher, from the 15-day disabled list. Optioned Gary Eave, pitcher, to Calgary, Pacific Coast League. Assigned Jay Buhner, outfielder, to a 20-day rehabilitation assignment at Calgary.

National League

CHICAGO—Optioned Jose Nunez, pitcher, to Iowa, American Association. Called up Shawn Boskie, pitcher, from Iowa.

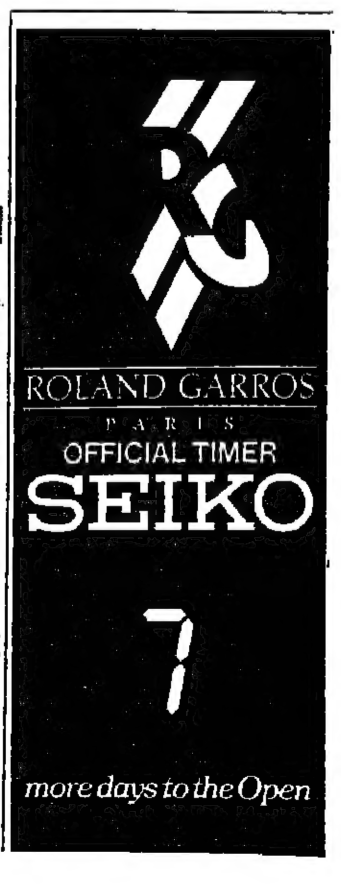
CINCINNATI—Activated Eric Davis, outfielder, from the 21-day disabled list. Optioned Paul Noce, infielder, to Nashville, American Association.

NEW YORK—Put Barry Lyons, catcher, on the 15-day disabled list, retroactive to May 16. Recalled Todd Hundley, catcher, from Jackson, Texas League.

PITTSBURGH—Put John Smiley, pitcher, on the 21-day disabled list. Recalled Stan Belinda, pitcher, from Buffalo, American Association.

FOOTBALL
National Football League

NEW ENGLAND—Released Stanley Morgan, wide receiver.



ROLAND GARROS
PARIS
OFFICIAL TIMER
SEIKO
7
more days to the Open

Billy Joel, Passing 40 And Hitting .400 Again

By Mike Zwerin
International Herald Tribune

PARIS — Cocky, streetwise. Smart-on-the-edge-of-smart aleck, tough with a heart of gold, Billy Joel exudes such downhome New York City theatricality you might be talking to Al Pacino playing Billy Joel. Or a waiter playing Al Pacino. Or Billy Joel playing a guy you once sat next to in Yankee Stadium.

He's proud to announce that on June 22 and 23, he will be the first rock act booked in that "House That Babe Ruth Built" in the Bronx. Already sold out, the two dates are part of a world tour named for his 14th album, "Storm Front," one track of which recently became his 28th hit single "We Didn't Start the Fire."

Playing Yankee Stadium is a treat for someone who speaks Baseballian. Describing the tour's repertoire: "Mainly we're relying on rookies. Over the years, from time to time we send veterans down to the minors. I took 'Piano Man' out of the lineup a few years ago, he wasn't connecting. But he's back hitting .400 now, batting cleanup. We've sent 'Just the Way You Are' down to Jacksonville for a while, he was in a slump."

Although he's won enough pennants not to worry about it, Joel has over the years been hit pretty hard by the rock press. He worries about it anyway. He was accused of being macho, a sellout, a yuppie and not an authentic rocker. Rockers say he wears thin, wears too many hats, tries to be too many things — cabaret performer, belter, crooner, poet, rapper — to all people. He's been known to trash pianos on stage, to read negative reviews to packed stadiums.

His songs range from anodyne to a hammer on the head and many of the tunes resemble each other, but his secret lies in an ability to write lyrics that straddle the line between adolescent sentimentality and adult substance (unemployment in "Allentown") without treating music as a product. He bounces around the stage and over the keyboard having obvious fun and begging you to have fun too. What you see and hear is what you get. He's a good act to have around. Having just passed 40, he felt it was a "watershed," inventory time. So he wrote "We Didn't Start the Fire," a demi-rap of a list of names and events that formed his generation:

. . . Harry Truman, Doris Day,
Red China, Johnnie Ray . . .

"Critics complained that the song was nothing more than a list," he said with a cadence he was barely able to keep cool, "that it had no context, 'Joel doesn't explain why and how.' Well, I never claimed it was any more than what it is, a list. My ears are tickled by the sound of exotic names and places. Who says I have to explain anything? If you're interested, look it up. I get letters from students who say it makes history class fun. It's a pretty good list. But you can't win with the press, so I've backed down. If that's what you think, fine. Say what you want. Truce. The war's over."

Fame? 'It's a self-perpetuating treadmill'

Since his marriage to the fashion model Christie Brinkley, it's been the tabloids' turn for big innings. The war may be over but, judging from his song "That's Not Her Style" on the new album, it seems rather as though he's only trying to choose his own field of battle. It amounts to another list, this one of gossip and calumny:

She wines and dines with Argentines and Kuwaitis. . . .
I've read where it's said that she sleeps in a bed made of satin. . . .
She's had her face done in every place you can try. . . .
That's not her style.

It's defensive, even paranoid, and anyway who really cares? It's only a supermodel and a pop star.

"Exactly!" He moved to the edge of his chair. "I meant it in jest. The tabloids have fun with us; I thought, let's have some fun with them. They're always laying out these absurd scenarios, it's a constant source of silliness. So I was saying, 'This is what you've heard, now here's the real low-down.' I think some of those people resent the fact that we have a successful marriage. 'What's she doing with *him*?' Like, it's Beauty and the Beast."

A double-chin is on its way. His nose was broken when he was a teenage boxer. Although he was born in the pilot postwar suburban housing project Levittown out in Hicksville ("isn't that a great name?"), Long Island, Joel's Big Apple accent and Broadway humor are evident when he explains that he doesn't mean he's Peruvian when he says he worked as an "inker" as a young man. He belonged to a gang called the Emerald Royals. He cut school to play stickball. His father "came down and smacked me" when he boogie-woogied a Beethoven sonata. Shaking his hips like Presley, he sang in public for the first time while in the fifth grade. The teacher pulled him off the stage. The kids cheered. It sure beat classical piano.

He was a short-order cook, an oysterman in Oyster Bay, he pumped gas. He says all the Grammies and platinum records never compared with the feeling he had when he first realized — "Hey! I'm a musician!" He played with Hicksville bands called The Hassles and The Echoes and became a "major-7th-chord cocktail piano player" using the hit-and-run alias Billy Martin. Several years later, back to Joel, he recorded "Piano Man," "The Stranger," "Only the Good Die Young" and life appeared to be an endless World Series.

But now, dear reader, this happy, if turbulent, tale of sing-dance-plenty-hot turns into a morality play. Suddenly, Al Pacino is playing in "The Godfather." Of course the case is still pending and this is only his side of it, but the interviewee is acting like there's a contract out on his life. Piano Man is suing his former management company for $90 million: "After 10 years with these management people, man, I did an audit. Where's my money? Gone, man, gone. Like, *gone.* Like nothin'! Like I'm in the hole."

Christian Rose
Billy Joel: "Where's my money? Gone, man, gone. Like, gone."

"Why did you take so long to ask for an audit?"

"I put it off. You know that jazz mentality, I don't want to know about all that stuff. It'll kill the music — units, dollars, product, demographics. It's a drag. I just want to play the piano. But if you don't look after what you make, there's plenty of sharks out there perfectly willing to take it away from you. I just turned around and it's gone. How's that possible?

"I'm usually working. This is a one-and-a-half-year tour, and to tell the truth, part of the reason for it is based on finances. I hate hotels, I hate matching furniture, I hate soap packed in plastic containers you break your fingernails opening, I hate being away from my family. Who am I working for? I don't live like a king. I've had hit records since 1974. I don't want to dwell on it, though, because people say, 'He's rich, he's married to Christie Brinkley, he doesn't have any real troubles.'"

"It's nothing another hit won't solve, is it?"

"I'd be perfectly happy to live in a nice house on a nice street in Brooklyn. I can't do that because I'm too well known. So I can go to Manhattan and try to ignore the greed — I can't do that any more, I sold my New York apartment to Sting. I can go to Hollywood, which I hate, or I can go to the country. So I live in the country out on Long Island, near Montauk.

"But then I need a lot of land around so the neighbors won't be bugging me. I have to spend all this big money I'm making to buy back my privacy, to live like a normal Joe. Weird, man. And to pay the lawyers. It all equals out. The more work you do the more famous you get the more work you *got* to do. I used to say I'm just going to '*unfame*,' but Garbo tried that and look what happened to her. It's a self-perpetuating treadmill, you have to run to the outfield before you can come to home plate."

Billy Joel: London (Wembley), May 21-30; Dublin, June 2; New York (Yankee Stadium), June 22, 23.

LANGUAGE

Under or Over Par, Let's Bogie

By William Safire

WASHINGTON — The devil, long lingering in the details of language, now stalks the corridors of the Pentagon. His aliases have included Satan, Belial, Moloch, Mephistopheles, Beelzebub and Lucifer, as well as the more informal Scratch, Old Nick and Old Bogey.

In that last incarnation, the *bogie* — I prefer that spelling — may be related to *bugbear*, "an imaginary hobgoblin," known to generations of teeth-chattering children as "the bogeyman." The apparent triumph of the Prince of Darkness, the Foul Fiend himself, in the Department of Defense is what concerns linguistic souls today.

Susan F. Rasky of The New York Times has alerted me to the sudden emergence of a hot word in Washington, a favorite of Pentagonians: "Certainly we did enough to meet the *bogie* that the president asked us to meet," Secretary of Defense Dick Cheney told a congressional committee. On another occasion, he told the committee, "I'm trying to make some *bogies* that I've been given out there in the outyears that are very stringent." He also criticized former colleagues in the Congress who urged him to take cuts now "so that they can meet a budget *bogie* . . . to avoid sequester."

Not since *reclama* — "a request to superior authority to reconsider a decision" — raced through the speech of defenseniks has an unfamiliar noun so thoroughly possessed a SecDef. Tens of millions of golfers, listening to the voice of the Pentagon, wonder why the nation's military is so entranced with being one stroke over par on a given hole.

Speculative etymologists have held for nearly a century that a golfer's *bogie* — golfers more often spell it *bogey* — refers to the scratch value, or par, set up for the course, as if a player faced a phantom golfer against whom the real player competes; this *bogeyman* with the unfailingly good score may be the same gentleman of the "Colonel Bogey March," a theme made familiar to Americans in the 1957 movie "The Bridge on the River Kwai."

Thousands of air controllers are confused, too: To them, a *bogie* is "an unidentified aircraft; a suspicious blip on a radar screen, possibly a *bandit*"; in the armored ranks of the armed services, the term means "a supporting roller on the endless steel belt of a tank." Mothers of sniveling children use the noun *boogie* to refer to a lump of mucus in the nostril of offspring too well-trained to pick their noses.

Musicians also pronounce it *boogie*, a verb from the dance "the boogie-woogie," and are careful not to let it slip as a racial slur; gays and homophobes often confuse *bogie* with *pogey*, a term for a young homosexual that some old salts insist has roots in the Chinese language. To movie buffs, *Bogie* is short for Humphrey Bogart.

Bogie probably comes from *bogle*, a 16th-century Scottish word for "goblin." The *bogle* lives on in the phrase *to boggle the mind*; one who has been frightened into stupefaction by a *bogle* has had his mind *boggled*. The standard English word *bogus*, "sham, spurious, counterfeit," probably also stems from that evil trickster, Old Bogey (also spelled *bogie* and *bogy*).

In one of his most devilish prestidigitations, this phantom of the links, scarifier of children and embodiment of evil has transmogrified himself into "a proposed budget goal," as defined by Major General Perry M. Smith, in his 1989 "Assignment: Pentagon," subtitled "The Insider's Guide to the Potomac Puzzle Palace."

Quick tangent: Smith includes a useful glossary of the lingo of Fort Fumble, which includes *analysis paralysis*, "what happens when you study excessively"; *bells and whistles*, "hyperbole to sell a system"; *horseholder*, unhyphenated, "executive assistant," apparently a smidgen closer to the center of action than a *spear carrier*; and *tap dance*, "a slick briefing, usually lacking substance." My favorite is *face time*, which Smith defines as "time spent near big bosses in attempts to impress them with your diligence and loyalty." Ask yourself, reader ascending the corporate ladder: Have you put in enough *face time* lately? End of tangent.

Could it be that Pentagon officials, using *bogie* to mean "proposed budget goal," are subtly hinting that it is all a chimera, a phantom figure conjured up to scare us all? Perish forbid. (I believe that portmanteau of "Perish the thought" and "God forbid" originated on the radio show "Duffy's Tavern," unless it was a Gertrude Berg television creation.)

Extracted from a budget meeting to take my call, Cheney says: "It just means 'mark' or 'target.' It's standard lingo around here; I hear it all the time. You're right, I'm using it too much — Lynne, my wife, warned me about that a week ago." He stifled a sigh, and added, "After a year or so around here, you become one of them."

And Old Nick, the ancient Tempter and scratch golfer, takes out his wallet and — chuckling evilly — inserts another linguistic soul.

□

The British call the islands the *Falklands*; the Argentines call them the *Malvinas*. Palestinians call the territories in dispute on the western side of the Jordan River the *West Bank*; Israelis call that land by its biblical names, *Judea* and *Samaria*.

What you call a place has a great deal to do with what you think about its political sovereignty. Consider a capital in the turbulent Baltics, where most of the people believe they are or ought to be independent nations, and Russians think the nations are part of the Soviet union of republics:

"My grandfather used to tell me of his childhood in *Vilna*," writes Steven D. Heller of Washington. "This was *Vilna*, Lithuania. Now Soviet tanks are parked in *Vilnius*. Same place?"

Same city, different ideas about its sovereignty. The traditional Russian name for the city is *Vilna*, pronounced VEEL-na, though that is used less often now; the Polish name is *Wilno*, pronounced VEEL-no, and still used because many Poles still think of the city as essentially Polish. (See your irredentist twice a year; if Churchill were to update his Iron Curtain speech, the most famous passage would now begin: "From Szczecin on the Baltic . . ." The Germans still call it Stettin.)

With these growling throwbacks understood, the Lithuanian name for the city is *Vilnius*, formerly spelled *Vilnyus*; one of the small but significant triumphs of the Lithuanian patriots who resist Soviet rule has been the promulgation of the Lithuanian name.

If your travel agent books your trip from "the Malvinas to Judea to Vilnius," he's not issuing a ticket; he's making a statement.

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Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

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